The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Chinese Editors Win Battle Against Japanese Censorship

ARTICLES IN THIS ISSUE

In Japan, Don't Whisper, Talk or Even Think Against War!
British Indian Leader Voices Support for China
U. S. Conducts Most Extensive Maneuvers in Alaska
Shanghai Evening Post and the Situation at Tsingtao
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Japan's Living Standard Hits a New Low
Japan is Still "Riding the Tiger"
Outstanding Events in the Sino-Japanese War
The Franco-Japanese Dispute in South China
China's Youth is Ready for War! . . . . . By Hin Wong
Sikong—A New Wall in the Bulwark Against Japan . . . . . By C. Y. W. Meng

SATURDAY, JULY 16, 1938 VOLUME 85, NUMBER 7

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In the United States Court for China

In the matter of the change of name of Constantine Melnicove

Cause No. 4339
S. P. No. 2218
Notice

Notice is hereby given that Constantine Melnicove, an American citizen residing in Shanghai, China, will petition the United States Court for China, on the first day of August, 1938, at ten o'clock a.m. thereof, for authority to change his name to HUGH ALEX. CONNINGTON.

Any person interested may, on or before the said first day of August, 1938, offer and show cause to said Court why the said petition should not be granted.

William T. Collins,
Clerk

July 16, 1938.

密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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Formerly Millard's Review

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IN JAPAN, DON'T WHISPER, TALK OR EVEN THINK AGAINST WAR!

FOREIGN news agencies, tourists and even the newspapers in Japan have reported strange developments in connection with the war psychology now previaling in that country.

According to a *Reuter* report from Tokyo on July 1 a salesgirl observed two men on the train who appeared to be whispering "anti-war talk." She reported the incident to the train detective who arrested one of the whisperers, a man named Suekichi Okada. It happened that Mr. Okada was on his way to Tokyo to volunteer for military service and had met a friend with whom he discussed the subject of the war. He fought the charge of "anti-war" whispering through two lower courts and insisted that he was an "ardent militarist," but the Supreme Court upheld the verdict of the lower court and Okada must serve 4 months in jail. The Judge ruled that "even private talk could be construed as rumor-mongering, which was contrary to the military code as applied to civilians."

The American paper in Tokyo, *The Japan Advertiser*, published an account (July 7) of another case, that of a Sapporo cutlery merchant who discussed the military operations at Shanghai with two friends. The friends told him that all reports of Japanese victories were not true, that some of the Japanese transports were sunk while attempting to land troops. He repeated this news to his friends and in due course was arrested on a charge of violating Article 99 of the Army Criminal Code. Despite his defense that he had no intention of spreading information that he believed to be genuine, the Court found him guilty and sentenced him to 10 months in jail. He also appealed to the Supreme Court, with somewhat better results than the preceding case. He had his sentence reduced from 10 to 6 months, the Judge remarking that "this would serve as a warning to people 'behind the gun' to watch their tongues."

A further case involved Capt. Kotoku Mizuno, retired, who was fined in the Tokyo Court on the ground that his book, "Information on the War," written after a visit to battle scenes in China last September, violated the Publications Law. Capt. Mizuno, according to the *Nichi-Nichi*, became a humanitarian after the Manchurian and Shanghai incidents. The Japanese authorities held that his book was likely to mislead the public in the present emergency and therefore lead to disturbing "peace and order." No indication was given as to how Capt. Mizuno's book transgressed the law.

Several weeks ago a high official of the War Department issued a warning to all Japanese, but particularly Army, Navy and Foreign Office officials to exercise care in talking to foreigners while attending luncheons and dinners. The warning stated that certain Japanese

officials had been accustomed to imbibing too freely of alcoholic beverages and then "disclosing military secrets."

The *Nichi Nichi* last April published a police warning to business houses, clubs, prefectural societies and other organizations against the publication of circulars, magazines or pamphlets giving information about the number or names of men recruited for service in China. The order was issued as a result of the publication of a pamphlet by the Soldiers' Support Society, composed of employes of a large department store on the Ginza. The pamphlet contained extracts from correspondence of soldiers at the front, entitled "War Dust After Smell." The author of the pamphlet named Hajime Tamaki, was summoned for examination by the police.

Japanese soldiers, wounded or otherwise, returning from service in China have also been warned against discussing their experiences at the front. It is now next to impossible for anyone to obtain permission to visit any of the innumerable hospitals in Japan proper, Korea or Formosa, where wounded men are receiving treatment. Visitors may chat with the hospital superintendent, but there can be no talking to patients about their experiences. The Military Secrets Protection Law has been invoked to seal the lips of the returned soldiers and prevent them from talking about defeats, blunders, reverses, or in fact anything about experiences at the front.

The *Nichi Nichi* also reported (June 22) that the police had experienced considerable trouble with students. One round-up netted 84 truant students on the Ginza. A plain-clothes detective reported that he had engaged some of the students in conversation and found their answers to questions about the war entirely unsatisfactory. One student when questioned why it was necessary to exercise thrift replied that the Government was "trying to save Yen 300,000,000." The detective inquired, "Where did you get such a figure?" The student thought a minute and replied, "Oh yes, I made a mistake, the sum is Yen 8,000,000,000." The student was taken to jail for the night.

A further report told of another round-up of students which netted 55 and a report in the *Asahi* (June 24) told of the arrest of a large number of Waseda University students for drunkenness and beating up a policeman on the Ginza.

It remained, however, for the Japanese authorities at Shanghai, allegedly, to enforce the most ridiculous of all regulations. According to a report in one of the Chinese papers any Japanese or Korean girl associating with foreigners, that is, Americans and Europeans, was regarded as "unpatriotic," and likely to be deported. It also was reported that several Japanese and Korean women already had been deported for being "too friendly" with foreigners."

BRITISH INDIAN LEADER VOICES SUPPORT FOR CHINA

PANDIT Jawa-harlal Nehru, former Chairman of the Supreme Executive Council of the Indian National Congress, who is now traveling in Europe, stated in the course of an address in Paris, that British India "unreservedly supports China in her fight against Japan. Mr. Nehru was quoted by *Havas* as declaring, "We have sent a medical mission to the Chinese Government and are taking active part in the world-wide boycott against Japanese goods . . . In the Straits Settlements a telegram from the Indian Congress was sufficient to prevent Indian laborers from accepting employment with Japanese mine owners in place of Chinese workers who had gone on strike . . . We are convinced that Fascism is invariably the twin-brother of imperialism."

U. S. CONDUCTS MOST EXTENSIVE MANEUVERS IN ALASKA

TWO squadrons of American Army war planes of V-P-11 and V-P-12 types, which took off from Seattle on July 8 and landed at Sitka, Alaska the same day, are now engaged in the most extensive air maneuvers ever held in the American far northern territory. According to the *United Press* report from Seattle, 23 additional bombers were scheduled to depart from Seattle on Sunday, also bound for Sitka and Kodiak.

The object of the maneuvers was to test the defenses of the Alaskan territory.

The expansion of American Army aviation and Naval defense activities along the Alaskan Coast, authorized by Congress in the past three or four years, has aroused wide interest not only in the United States but in other countries. Extensive discussions pertaining to the significance of the development have appeared in the press of Great Britain and the Soviet Union. The Japanese newspapers, under military control, have printed practically nothing on the subject, but this doesn't mean the Japanese are not interested.

The accompanying condensed map of the area about the Gulf of Alaska shows the location of the Matanuska Valley colonization project, which, it now turns out is a definite part of the Alaskan defense scheme. Several months ago the Department of Agriculture sent 168 families to the Matanuska Valley and provided them with funds and equipment for starting new homes in the virgin soil of the northern territory. The families had previously resided in sections of the middle-west which had gone arid. They were transported to Alaska at public expense and were given an opportunity to purchase land on 30-year instalment terms. Practically everything is conducted on cooperative lines, the annual payments ranging from U.S.$80 to $330 a year depending on the amount advanced.

Now it is reported that all but 12 of the families will remain to farm the fertile soil of the northland.

When the project was originally started it was widely ridiculed in certain newspapers which designated the enterprise as Roosevelt's "cabbage patch." According to the British magazine *The Week*, the Matanuska scheme was labeled "visionary," and a "cock-eyed pink madness borrowed from the Soviet Union." The opposition papers also pointed out, with considerable logic, that there was no market for the vegetables which the Matanuska farmers might produce. Seattle was 800 miles away and hence out of the question as a market.

What the skeptics didn't know at that time (early in 1936) was the Government's plan for developing the defenses of the Alaskan territory, long neglected, but now stimulated due to recent developments in Asia. The market, of course, will be the American Fleet and the American Air Force. To quote from *The Week*:

"In point of fact, as it now turns out, that vegetable garden is rapidly becoming a key point in the American strategic scheme of things in the face of the combined threat of Japanese aggression in the west, and German infiltration to the south.

"For just over two years, the strategic value

attached to the Aleutian Islands has been rising very fast.

"Among other experts fairly recently called in to advise the War Department was the explorer Stefansson. Preparations for the establishment of a naval and air base at the point where Alaska breaks down into the Aleutians were pushed ahead fast.

"In other words, the growing of vegetables there has made possible an extension of American strategic lines in the Pacific of absolutely basic importance in the whole strategic line-up in the Far East. It has detached the fleet and the air arm from the necessity of being within immediate reach of either Hawaii or of the ports of the Californian and Washingtonian seaboard.

"In Tokyo now they have a somewhat different estimate of the realism of that vegetable patch."

SHANGHAI EVENING POST AND THE SITUATION AT TSINGTAO

SOME weeks ago *The Shanghai Evening Post* inadvertently published some pictures in its Chinese pictorial section which were intended to portray Japanese war prisoners at Hankow. The pictures turned out to be some taken by Japanese photographers in a training camp in Japan. The Japanese raised a tremendous outcry about the "deception," and as a result the Editor of *The Post* apologized—which was quite commendable—except that it was done rather too abjectly. In addition the Editor of *The Post* announced that the Chinese responsible for the error had been "fired."

In view of *The Post's* action with regard to the Chinese pictorial, the Editor should take similar steps and fire certain other members of his staff who were guilty of a much more serious indiscretion in connection with the publication of an advertising supplement dealing with conditions at Tsingtao.

Shanghai requires no report of an international commission to realize that conditions at China's chief summer resort on the Shantung coast are—abnormal! Evidence includes the presence of bandits and guerillas on the outskirts of the city, or even within the city, the cutting of the railway connecting with Tsinan, the deportation by the Japanese military of a number of inoffensive White Russian women who did not possess credentials satisfactory to the Nipponese warlords, and, if we must mention it again—the slapping of an American woman, wife of a naval officer, by a Japanese sentry. True, he apologized later and helped the situation a lot by stating he thought the American woman "was a Russian dancing girl! There is further evidence from unimpeachable authority of generally unsettled conditions, particularly rowdyism on the part of playful Japanese soldiers who race horses and donkeys along the crowded beach, causing bathers, including women and children, to flee to the bath houses or deep water for safety.

We obviously have no desire to create uneasiness about conditions at China's leading summer resort, where many Shanghai foreigners have gone for vacations. The place is, of course, barred to Chinese as the Japanese military and naval authorities are in complete control. There was a report in *The China Press* on July 13 stating that it had been necessary to curtail shore liberty for American sailors aboard U. S. Naval craft now stationed in Tsingtao harbor.

Further information about the precarious situation in the countryside near Tsingtao may be obtained from the Red Cross or other relief agencies in Shanghai which are in comunication with Catholic and Protestant missionaries in the interior of the province. Letters from these groups describe conditions of almost unbelievable terrorism and chaos.

In the face of this situation the enterprising advertising department of *The Post* issued a special supplement depicting Tsingtao as a haven of safety. But the readers of *The Post* might have swallowed a moderate amount of advertising exaggeration on the part of Tsingtao hotels and resorts had it not been for a startling letter on the front page which was signed by the puppet mayor of the city. On an inside page was the same gentleman's picture in uniform.

After inveighing against puppets for many months it was rather shocking to have one of them tell us about the safety of Tsingtao from Page 1 of *The Post*, and with the *Post's* seeming 100 percent endorsement!

Coming so shortly after the slapping incident and further evidence of insecurity, the Tsingtao supplement caused a rather nauseating sensation. Of course, the Editor explained that the supplement had been written before the slapping incident, but it was printed and issued several days afterward! The leading article was written with the seeming intention of glossing over the slapping of the American woman—and alongside was the signed statement of Japan's No. 1 puppet at Tsingtao certifying to the safety of the port!

Leaders of All Political Groups Appeal to America on War's First Anniversary

FIRST anniversary of the Loukouchiao Incident, marking the beginning of Sino-Japanese hostilities, provided occasion for statements of more than ordinary significance by many Chinese leaders, including General and Madame Chiang Kai-shek; Dr. H. H. Kung, President of the Executive Yuan; Foreign Minister Dr. Wang Chung-hui; former Foreign Minister Eugene Chen; two Communist leaders, Chou En-lai and Wang Min; Chang Chi-lan, Secretary-General of Central Political Council and Editor of the *Ta Kung Pao*.

The anniversary was observed in many cities. In Hankow a mass meeting was held, attended by more than 100,000 people. Similar meetings were also held in Canton, Changsha, Chungking and other cities. In Shanghai, entirely surrounded by enemy forces, the occasion was marked by flying the Chinese national flag at half-mast by practically every shop, business house and Chinese residence in the city.

Lin Sen, Chairman of the National Government, telegraphed a message of encouragement to Gen. Chiang Kai-shek and expressed confidence in the ultimate success of the campaign. Chairman Lin also sent a circular telegram to the troops on the various fronts, commending them for their loyalty and patriotism.

A powerful appeal to the Chinese people to redouble their efforts for the campaign of resistance against Japan was broadcast by General Chiang Kai-shek. During the past year, Gen. Chiang said, the Chinese gave a good account of themselves in their gigantic struggle against Japanese invaders. China's heroic resistance had changed world public opinion regarding the Chinese people. A solid foundation had been laid for ultimate victory.

Referring to the military situation, Gen. Chiang said that the turning point in the entire campaign may be expected in the next month or two as hostilities in Central China are now in the most important phase of the campaign.

Condemning the atrocities perpetrated by the in-

vaders in the occupied areas, Gen. Chiang said that the aim of the enemy was not only to occupy Chinese territory but to exterminate the Chinese people. Gen. Chiang urged the people to redouble their efforts in order to attain final victory.

In another message, Gen. Chiang said: "On this solemn occasion when our entire nation bows in deep reverence to the memory of the brave and loyal, my thoughts revert to the consideration of my duty towards the nation and my indebtedness to those of our people who have willingly given all and lost all so that the nation might live.

"My thoughts today are far from being laden with despair. The outlook of our nation has never been more promising. The gathering unity which our enemy has attempted so hard to frustrate is now a potent reality. Our determination to uphold national honor, not yet fully realized by our arrogant enemy, has been exacting a heavy toll which Japan cannot long withstand."

Pointing out the inefficacy of modern treaties as a means of regulating international order and ensuring peace, Gen. Chiang said that China has no choice but to defend her honor and territory. "The indifference of the governments which have chosen to remain aloof in spite of their solemn commitments," Gen. Chiang stated, "has not justified our faith in their pledges. But our bitter resistance has not been in vain, for we are fighting not only to protect our national independence, but to safeguard justice."

Gen. Chiang declared that he pinned his faith on America. He said that China's bitter struggle to safeguard her inalienable rights and national liberties so greatly valued by Americans can not fail to find sympathy and support in that great country.

In a message to the Japanese Gen. Chiang urged that they force their militarists to stop the invasion. Pointing out the close racial and cultural bonds between the Japanese and Chinese, the message says, their relations should be anything but hostile. The Japanese militarists have, however, adopted a policy of aggression against China. Gen. Chiang cited several instances of Japanese aggression,—invasion of Manchuria in 1931, attack on Shanghai in 1932 and the Luokouchiao Incident on July 7 last year which precipitated the present large scale hostilities between the two countries.

The message urged the Japanese people, in their own interests, to force their warlords to discontinue invasion of China. The Chinese were only fighting the Japanese warlords and invaders, and still regard the Japanese people as friends. If the Japanese people fail to check the aggressions of the Japanese warlords, the message emphasized, the hatred between the two countries will continue for generations to come.

In an appeal to friendly Powers, Gen. Chiang Kai-shek reminded them of their obligations under the various international agreements and urged them to give concrete assistance to China in accordance with the resolution adopted by the League of Nations. Gen. Chiang pointed out that peace is indivisible and isolation impracticable. Until Japanese troops are withdrawn from Chinese territory and China's territorial and sovereign rights fully restored, the message concludes, there will be no end of China's resistance.

On the eve of July 7 Gen. Chiang Kai-shek issued a circular telegram, expressing his deep grief for those who were killed while performing their duties. He also expressed his sympathies for the civilians killed in the war zones.

China's ultimate victory is not distant, declared Gen. Chiang in an address at a reception given in honor of the delegates to the National People Congress last Saturday (July 9). Gen. Chiang said:

"I tell you, honestly, that the military situation is in our favor. Moreover, our victory is not distant. After the occupation of Matang and Hukow by the Japanese, the public may have felt a certain degree of uneasiness. As as a matter of fact, however, the Wuhan area remains secure. Even the Japanese realize that if they continue to advance recklessly, they will be completely annihilated by us."

In a message to the Chinese people, the Kuomintang, ruling political party in China, appealed for redoubled efforts in the prosecution of the campaign of resistance against the Japanese and to assist in the work of war relief. The message pointed out that the present campaign is a life-and-death struggle of the nation against Japanese imperialists. In the course of the past year, strong resistance was offered by the entire Chinese nation to the invaders. Though the Chinese people have suffered greatly in the war zones, the sufferings have been borne with courage and without complaint. The message urged that in this struggle for national existence, the entire people, regardless of social, religious and racial differences, should participate.

Women of Europe and America were highly praised for their part in alleviating sufferings of thousands of wounded soldiers and civilians and caring for millions of homeless, starving refugees by Madame Chiang Kai-shek in a message on the first anniversary of the war. Madame Chiang said:

"Women from foreign countries mostly connected with missions could justifiably be relinquished from their duties because of risks and danger by transferring the missions to regions remote from the war fronts. But they preferred to stay with us in the midst of calamity and have stood by their guns, literally as well as metaphorically.

"In spite of repeated requests by their own Government to leave the scene of turmoil, in spite of the dire threats of the invaders, in spite of the danger of epidemics from the overcrowding of refugees in their compounds, in spite of the insistent menacing demands day and night for women by Japanese soldiers, in spite of pointed boyonets in the hands of lustful Japanese, these women stood guarding gates with no other weapon than unswerving determination to protect with their own lives the women under their charge. In view of the stand they took and their unconscious power over vicious brutes, is it any wonder this situation should remind me of the lion and unicorn? . . . . To these women and the millions of women in foreign countries who have made it possible for these messengers of mercy to be with us, Chinese women take this opportunity to express our undying gratitude."

Col. Junzo Hiraoka, Japanese military spokesman in Peiping, took strong exception to Madame Chiang's statement which was published in the *Peking Chronicle*. He was quoted by the *Chronicle* as saying that the Japanese Army was insulted and would "never forgive" her.

A group of Japanese women in Tokyo headed by Baroness Nobuko Muto issued denial of the charges made in Madame Chiang's statement against Japanese soldiers. Madame Chiang's statement was described as "a serious insult to Japanese women who are mothers and sisters of Japanese soldiers in China."

Dr. H. H. Kung, China's Premier and Finance Minister, also reviewed the first year of hostilities, a comprehensive summary of which appeared in last week's issue of *The Review*.

Dr. Wang Chung-hui, Foreign Minister, in a radio broadcast on July 8, appealed to the civilized nations

of the world to give concrete assistance to China. Expressing gratitude for the sympathy shown by the various nations of the world for China, Dr. Wang pointed out that the League of Nations, for instance, had unequivocally designated Japan as the aggressor in the Sino-Japanese conflict. All peace-loving nations should therefore give concrete assistance to China and simultaneously refrain from supplying Japan with war materials for the massacre of the Chinese people, Dr. Wang declared that a policy of isolation was not only impracticable, but dangerous, because it would lead inevitably to another world conflagration.

Eugene Chen, China's "fire-brand" diplomat and former Foreign Minister, in a statement issued through the *United Press*, declared, "Japanese guns and airplanes, some of which have been supplied by American manufacturers, have killed and wounded over a million Chinese and thrown another 150,000,000 into misery and tribulation. This work of death and misery will go on so long as the people of the United States continue to assist the Japanese to carry on the war and the government of the United States continues to disregard its treaty obligations towards China.

Mr. Chen asserted that it is within the power of the United States to stop Japanese mass murder and totalitarian savagery in China, just it was within American power on two historic occasions to command Japanese submission, once when Commodore Perry forced feudal Japan to open her gate to the West and the other when modern Japan surrendered Shantung to China on the insistence of the United States. One of the greatest catastrophes in the history of nations would come to pass, Mr. Chen said, if the Government and the people of the United States failed to realize their position.

Wan Min, Chinese Communist Party spokesman at Hankow, revealed in his statement the weaknesses in China's war machine for resistance and urged improvements. In spite of achievement in political unity, Mr. Wang said, "China is in a danger. We are on the brink of slavery. We continue to lose our land. We are constantly defeated on the battlefield. A crisis hangs over the Yangtsze, Yellow, Hwai and Han Rivers. The Wuhan Area is in danger. Kwangtung and Fukien are being invaded.

"Weaknesses exist in our political, economic and military structures. The masses are not properly organized. We must take effective measures to conquer all these serious weak points, We must consolidate our powers to resist. If we do not we shall be slaves.

"The Chinese people have faith. They believe in America. They know the glorious tradition of America and her prolonged struggle for national independence. The Chinese people do not believe that the American people will disappoint them in their faith. "

Chou En-lai, head of Chinese Communist delegation at Hankow, emphasized the importance of defence of Wuhan cities, in a review of the first year of the Sino-Japanese hostilities. "We must defend Wuhan." Mr. Chou declared, "because when we fight well we can deplete the enemy's troops in greater numbers. We need to defend the Wuhan area even though our victory is not certain." Mr. Chou pointed out that Japan is becoming nervous, as the cost of war in China daily mounts.

Standing firmly for the policy of fighting to the bitter end, Chang Chi-lan, editor of the *Ta Kung Pao*, declared in a statement to the *United Press* that he never anticipated that "Japanese soldiers, being two-legged human like us all, would commit such inhuman and barbarous acts of atrocity, as indiscriminate bombing of open cities, wholesale slaughtering non-combatants, including women and children, and many distressing of all—organized raping of women, many of whom were afterwards murdered."

After reviewing the hostilities of the past year, Mr. Chang said: "We sustain our suffering firm in the belief that China will never perish and that we will gain a bright future through this life and death struggle. If we fail this year we will continue our struggle next year. If we fail this generation it will be carried over to the next generation."

Mr. Chang expressed appreciation for the sympathy shown China by the American people and hoped that it would be translated into more concrete action.

Gen. S. Hata, Commander-in-Chief of Japanese Forces in Central China, in a statement to the press, placed entire blame on Gen. Chiang Kai-shek for the present hostilities. He said:

"At the root of the present hostilities, I am convinced, lie the misguided policies of the Chiang Kai-shek regime, based upon the ideas of opposition and scorn of Japan.

"Chinese leaders, suspicious of Japan's motives, failed to grasp the ideals of peace in Asia embodied in our basic national policy whereby Japan sought not only her own prosperity but that of China as well.

"A settlement of the present hostilities, consequently, can be reached only by the downfall of Chiang Kai-shek and his followers who have dedicated themselves to the execution of policies grounded in misguided ideas."

HERO OF LUKOUCHIAO INCIDENT

Maj.-Gen. Chi Hsin-wen, hero of the Lukouchiao Incident and defender of Wanping city, whose unit first clashed with the Japanese, has been promoted a divisional commander in recognition of his meritorious services in the past year. He was a brigadier-commander in the 29th Army under Gen. Sung Cheh-yuan and was in command of the troops at Lukouchiao. He recently participated in the defence of Hsuchow.

Gen. Feng Chi-an, former Commander of the 37th Division and Chairman of Hopei, now Commander of the 29th Army, has arrived at Hankow to see General Chiang Kai-shek. The unit which first resisted the Japanese at Lukouchiao last year belonged to his Division.

Sessions of the People's Political Council were inaugurated on July 6 with about 150 of the 200 members present. The sessions were presided over by Wang Ching-wei, President of the Council.

Gen. Chen Cheng, new Chairman of Hupeh, was sworn in office on July 7. The oath of office was administered by Gen. Chiang Kai-shek, who urged the officials of Hupeh to consolidate the political organizations of the province and prepare the people for active participation in the campaign of resistance.

SOVIET PRESS NOTES ANNIVERSARY

The anniversary of the heroic struggle of the Chinese people was commanded by the Soviet press. In an article entitled "Twelve Months of War," *Isvestia* wrote: "The calculations of the Japanese general staff to deal China a 'lightening and deadly blow' remained a dream. During the first ten months of war in China, the Japanese army has lost 400,000 men killed and wounded, 700 airplanes and a great quantity of armaments. Each day of war costs Japan from 15 to 20 millions yen. . . . Political, economic and financial difficulties are the forruners of defeat of Japanese militarists who will not be able to overcome the indestructible strength and will of the heroic Chinese people for victory."

Japanese report alleged that Gen. Li Ping-hsien, Kwangsi military leader, is seriously ill in a Hankow hospital.

Prince Teh and Li Shou-hsin, Mongolian traitors who went over to the Japanese, were installed (July 5) as Chairman and Vice-Chairman respectively of the puppet Mongolian Federated Autonomous Government in Suiyuan.

A puppet autonomous commission was organised (July 11) by the Japanese at Anking with one Wang Tu-chin as Chairman.

Two more Chinese lawyers in Shanghai have joined the Nanking "Reformed Government" as members of the bogus "Legislative Yuan," according to Chinese papers. The two appointees are Chio Kun and Chiang Chi-shih, both long practitioners in Shanghai. Chio, however denied the report of his joining the Nanking regime.

Japanese Plan Merger of North China Tobacco Firms

With a view to instituting a unified management of the tobacco industry in North China, various Japanese firms will be merged into one enlarged company soon. Application already has been made to the Government for permission to establish a joint stock company trading in tobacco leaves in North China. According to the present plans, seven major concerns, including the Toa and the Manchuria Tobacco Companies, will be merged into the new concern with a capitalization of Yen 30,000,000.

The new concern will have its head office in Tsingtao and branches in Peiping and Tokyo. Formal inauguration of the new concern is expected to take place by the end of August. When the new company has been established, it is expected to be powerful enough to effect a practical monopoly in the purchase of raw tobacco materials in North China. British and American agents who have in the past been engaged in the tobacco trade will be able to buy the raw materials freely from the local markets, it was pointed out.

Chinese Editors Defy Censorship Preserve Best Traditions of Free Press

IF ONE were asked how it came about that China, so much inferior to Japan as regards brute force, not only is surviving her present calamities, but apparently is even coming through with strength increased rather than impaired, the secret of the Chinese success could be explained in two words: vitality and adaptability. On more occasions than one the Chinese have proven themselves equal to conditions in which Westerners would perish. This holds good with regard to the Chinese press which has displayed a vitality and integrity which nobody would have suspected to exist before the "China incident."

It is remarkable indeed when we take into consideration that newspapers and newspapermen in China never have had an easy time of it. Struggling against inefficiency and abject poverty, hampered by rigid literary traditions and limited literacy of the people, they suffered from all the handicaps which are imposed upon the press in western dictatorships, today or which were enforced many decades ago. Censorship in the West has had however, one saving grace: it is reasonably consistent. The same cannot be said of censorship in the East. There are cases on record in which reports banned in one paper, have been printed by others with impunity, and in the same place and at the same time to boot. There were other cases in which the authorities did not adhere even to their own censorship regulations, regulations, which usually were indefinite in the extreme.

Numerous indeed are the misfortunes which have, in due course and with undue severity, befallen those who deviated from what those in power considered the straight and narrow path. Papers have been suppressed, printing plants have been smashed, property has been confiscated, postal privileges have been withdrawn. Editors and newspapermen have been bribed, intimidated, arrested, kidnapped, executed and murdered.

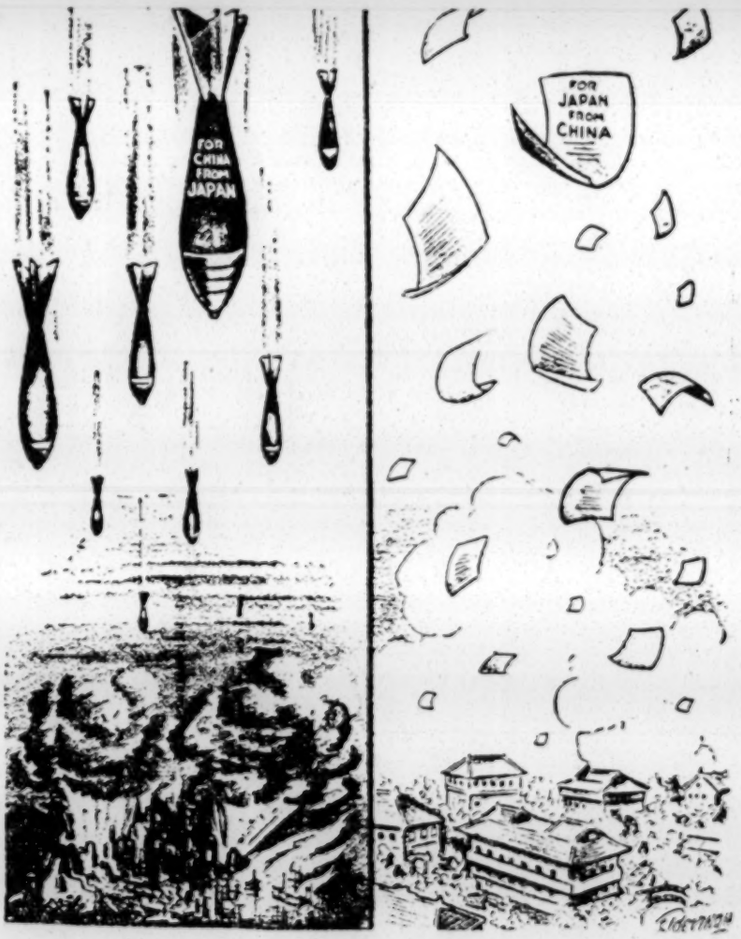
In pre-Kuomintang times, a change in the person of the ruling warlord usually boded ill for he papers. For them, a m shap of that kind, which the nation on the whole usually survived remarkably well, might spell a'l the difference between a hampered existence and no existence at all.

With the dvent of the war, there has been a very marked change for the better. At an early stage, the Government obviously realised that this campaign could not be won by orthodox methods and that it could not be considered merely as a fight between the armies concerned. The Chinese required active support from the masses rather than passive obedience. Therefore, paradoxically enough, the press had more freedom in war-time than formerly. The reason was simply that only thus sufficient co-operation on the part of the papers and the public could be secured. Even long before the Communists were allowed to publish their *Hsin Hwa Jih Pao* (New China Daily News), which now claims a circulation of 100,000 copies, at Wuhan, criticism of the ruling party had become permissible.

A most astonishing feature of the Chinese press in war-time was that he reports of developments were generally more accurate. Even defeats were usually not hushed up. The reason for this was not far to seek. In the beginning of the hostilities, some papers published untrue reports about great victories in North China. When the truth leaked out only a few days later, the public reaction caused the authorities no little embarassment. The general feeling of elation collapsed like a punctured tire, making way for a sentiment of deep despondency. This brought a realization that in a situation of extreme danger a beclouding of the issue may enhance rather than diminish the peril. Realism pays.

WHO'S UNCIVILIZED TODAY?

(Japan to China) *(China to Japan)*



Elderman in the Washington Post

An entirely new situation reared its ugly head with the withdrawal of the Chinese troops from Shanghai. The late Chinese censors suddenly departed and the newspaper editors regarded this development as "all to the good." During the short period in which the papers were free from outside interference, they maintained a voluntary self-censorship. It is safe to say that the Japanese were not able to get any news of military importance out of the Chinese press in this period.

About a month after the retreat from Shanghai, the mortality rate among Chinese papers, which has always been alarming suddenly jumped to an all-high. The Shanghai Municipal Council issued a warning that no "anti-Japanese" activities could be tolerated in the model Settlement. This prompted a rapidly increasing number of Chinese papers to

discontinue publication rather than to serve the enemies of their country.

The warning issued by the Council rested on a slender base legally. The Council is not a Government entrusted with enforcing certain policies. It is responsible merely for the maintenance of law and order. From the legal point of view, the Japanese have no other right than all nations engaged in administrating the local muddle. There are numerous cases on record in which the Chinese papers have attacked the policies of nations participating in the administration of the Settlement. Only recently Chamberlain's policy was described as "old and stupid" by one paper and America's attitude in Far Eastern affairs as "extremely short-sighted." by another. To reproduce what the papers have been saying about Italy and Germany (the latter, incidentally, has nothing to do with the administration of this realm, would probably bring forth a vigorous protest from the Embassies concerned. But do these nations or their local representatives raise a howl about anti-British, anti-American or anti-Italian policies each time that they are attacked in the Chinese press? On the contrary, they go calmly about their business and none of them has ever proposed to censor the Chinese press with a view to eliminating attacks of that kind.

Incidentally, the local German paper allegedly has published vicious attacks on Jews and some time in June it stated that a very large number of Jewish fortunes had been made by crooked means at the end of the war, by disposing of the army's property!

What reason is there to grant the Japanese special privileges and to suppress "anti-Japanese" utterances? Quite obviously, the theory that the Japanese are lawful successors to the Chinese in this area, does not hold water. As there is no war, there can be no succession to the legal rights of the conquered Government.

The reasons why the Council supports the Japanese in their interference with the freedom of the Chinese press are purely practical ones and they do credit neither to the Council's power of reasoning, nor their foresight or courage.

Local Japanese papers are full of vicious attacks upon the legal Government of China. They abound in anti-Chinese utterances. But has the Council ever seen fit to take any steps whatever in this respect? To give only one example, we may point out that the *Shanghai Nippo* a few weeks ago went so far as to spread malicious slander regarding the private lives of some high Chinese Government officials. Every day, the *Nippo* and the *Mainichi* predicted a speedy break-down of the Hankow Government.

If the Council desired to be really neutral, it would be obliged to suppress utterances of this kind or to grant the Chinese at least an equal chance against the Japanese. Actually, the attitude of the Council amounts to a grave breach of neutrality became. While suppressing the Chinese press, it has in effect granted unlimited freedom to the Japanese. Some have charged that the Council instead of being an independent body has really been but a hand-maid of those in power in the surrounding territory.

Some of the Chinese papers which closed down published ringing appeals for increased national unity in their farewell editorials. We give a few examples:

⁂

"Dear Readers, We are proud of closing down to-morrow. . . . Nationwide armed resistance has now broken out. . . In this situation we must carry on our work for the preservation of world civilisation, the maintenance of our national independence and continually attack our enemy—the hingman of civilisation. So long as Japan continues her aggressive policy, we shall continue to attack her in our writings.

Our troops have retired to the West. Shanghai is surrounded by enemy troops. . . . But we believe that China will survive. We believe that China will never be destroyed. We are confident that in the near future we shall resume publication here, and we shall speak to you once again." (Farewell editorial of the *China Times*).

⁂

Equally interesting is what the *Lih Pao*, among other things, had to say: Though we shall suspend publication in Shanghai, we shall never forget our duty . . . Our armed resistance against the aggressor is a revolutionary war.

. . . Greater Shanghai is lost. But millions of Chinese, who do not want to be slaves in Shanghai, are not yet lost. We believe that these millions will not forget their fatherland . . .

We do not depend solely on our troops for defeating the Japanese on the battlefields. We must create a situation which will increase Japan's difficulties . . . This is the work of the mobile units. This is what the Chinese in the Japanese-occupied areas have to do.

In these areas, traitors will needs be very active. Our enemies cannot rule the Chinese directly; they will control them through Chinese traitors. Every patriotic Chinese must watch out for this. If this is done, no puppet regime can be organised in Shanghai.

Fight on, fellow-countrymen in Shanghai! Every minute keep in mind our nation, our country!"

⁂

The last editorial of the renowned *Ta Kung Pao* was beautiful in its simple dignity:

"We cannot alter our principles. We are Chinese and the paper is a Chinese paper. We will never surrender and we will tolerate no insult. When we cannot maintain this paper as a 100% Chinese publication we must suspend, and cease serving our three million people here. . . .

. . . The lives and the property of the Chinese in the International Settlement and the French Concession are more and more being interfered with. This Chinese paper has found it more and more difficult to maintain its principles and still to survive under a certain "special influence" . . . Yesterday we received another notice, demanding that we send them proofs before publication of our paper. No Chinese should be subject to any interference from a foreign Government in China . . . As sons of Han and following the teachings handed down by our forefathers, we shall have to suspend publication.

Some of our readers may miss the paper. But we are obliged to suspend and we believe that our supporters and readers would not wish us to carry on under foreign influence and humiliation . . .

Shanghai is now under the shadow of the dark clouds before a great dawn, but the wind of the new era will soon blow these clouds away and we shall meet again under the bright sun of a new day.

We are a Chinese newspaper. We have full confidence in China's future. . . China, with her history of five thousand years will not be destroyed so long as we Chinese ourselves do not stain our history with shame. . . . "

⁂

The courageous stand adopted by the Chinese papers did not fail to arouse the admiration even of the Japanese. Wrote the *Shanghai Mainichi* on May 6:

"We hate the anti-Japanese papers but from the journalistic point of view, we cannot but admire the *Shun Pao*, the *Ta Kung Pao*, the *China Times*, and the *Lih Pao*. These papers suspended publication in Shanghai but are now carrying on in Hongkong and Hankow. We cannot but admire also the *Hwa Mei Wen Pao*, the *Ta Mei Pao*, the *Wen Hui Pao*, and the *Morning Leader*. Nominally owned by Americans or Britons, these papers are edited by anti-Japanese Chinese."

⁂

Towards the end of this article, the *Mainichi displayed* much less generosity than in the beginning. It deplored that the censorship bureau "cannot carry out its task as most of the newspapers are now registered with foreign Governments." The Settlement authorities should stop these anti-Japanese newspapers, which aim to develop anti-Japanese feelings and to keep the people from obeying the Reformed Government. It makes no difference whether the papers be owned by Britons, Americans, or Abyssinians."

The *Mainichi* was quite correct in saying that the 'honourable' Japanese censors have but little opportunity to give the harassed Nipponese taxpayer value for considerations received on the first of each month. As a matter of fact, the *Sin Wan Pao* is the only big Chinese newspaper which has submitted to censorship. This paper has always been very commercial anyhow and

looks at writing strictly from a business point of view. Naturally, carrying on is more profitable than closing down, especially for a very big paper with plenty of advertising. But having its name inscribed on the roll of honour might, in the long run, have been still more profitable.

As the *Mainichi* plainly hinted, an entirely new situation has arisen by now. The public's thirst for genuine and unadulterated news is almost as elementary as are physical needs. In Soochow, copies of the *Wen Hui Pao* have sometimes sold for a dollar apiece, as only very few were available. Papers were rented out in the outlying districts at a price of ten cents. Many times the puppet authorities or the Japanese military have suppressed all Shanghai papers, including their own little *Hsin Shun Pao*, which poses as a Chinese paper, though it is actually owned and edited by Japanese. For reading the forbidden papers and filling their stomachs with "dangerous thoughts," numerous people have been arrested and, it appears, in some cases even have been executed. Even the censored *Sin Wan Pao* contained a news item on May 5, stating plainly that all Chinese and foreign paper, except the *Hsin Shun Pao* had been banned by the Ta Tao Government and that fourteen persons, who have been arrested for reading the papers, will have to spend a week in jail.

Hell has no fury like the *Nippo's* wrath! In a long editorial on April 15, the *Nippo* charged that "for one hundred dollars" the "foreigners willingly become nominal owners" of Chinese papers! Naturally, the *Nippo's* editor is yelling for action to stop this.

The period of wholesale suppensions has definitely made way for one of resurrection in disguise. The papers which do not submit to Japanese censorship have become quite numerous by now and some of them are very important. It would be a delusion to imagine that these papers are free to write as they please, merely because they refuse to submit to Samurai censorship. They have, of course, to be very careful nevertheless. Most of them try to avoid some of the pitfalls with which their path is beset, by omitting editorials. In the following we give a list which should prove helpful in understanding the present situation. So-called "mosquitoes" are omitted, but otherwise the list is complete, to the best of the writer's knowledge. As the material was most difficult to get, there is always a possibility of omissions or errors which are hard to eliminate.

A) List of suspended papers in Shanghai, with, remarks regarding their character:

1) The *China Times* Closed down in November. Reopened in April in Chungking, Szechuen. Tendency liberal.

2) *Shun Pao* Suspended in Shanghai, appears now in Hongkong and Hankow simultaneously. This was the oldest paper in Shanghai, was founded about 60 years ago. Officially, the editors claimed a circulation of about 150,000 copies, while actually the circulation may have been somewhat less than 100,000, which is large when the limited literacy in China is duly considered. Tendency: independent, liberal.

3) *Ta Kung Pao*, was formerly published in Tientsin, moved to Shanghai to escape growing Japanese pressure. Suspended in December. There is a Hankow edition now and a Hongkong edition is planned. The paper has a very high standard and was influential among the educated classes. Tendency: vigorously independent and liberal.

4) *Min Pao*. This was the official Kuomintang paper in Shanghai. The paper suspended after the Chinese withdrawal from this city and publication has not been resumed. The circulation figures were small. Other Kuomintang papers in Japanese occupied areas suspended.

5) *Lih Pao* was suspended in November, and is now being published in Hongkong. It was influential among the masses on account of its simple language and interesting features. Tendency: independent, liberal.

6) *Chung Hwa Jih Pao* (The Central China Daily News) was the personal paper of Wang Ching-wei, who was both founder and owner. When the paper had to suspend operations in Shanghai, it was originally planned to remove to Changsha. Actually, publication has been resumed in Hongkong.

7) *Chiu Wan Jih Pao* (National Salvation Daily News) started publication in Shanghai only after the outbreak of hostilities, and had to suspend after the withdrawal of Chinese troops. Publication has now been resumed in Hankow and Hongkong simultaneously. The paper was connected with the "seven gentlemen" who were arrested and spent several months in jail in Soochow for "National Salvation" activities. The tendency was outspoken. Circulation figures small.

B) List of papers which have submitted to Japanese censorship:

1) *Ta Wan Pao* (China Evening News) No detailed information available.

2) *Eastern Times* No further information available.

3) *Sin Wan Pao*. Whereas the papers mentioned under 1 and 2 have but little importance, the *Sin Wan Pao* has always been regarded as one of the "Big Three" with a circulation in the neighborhood of 100,000, while officially 150,000 were claimed. Before the war, there were frequently almost twenty pages of advertising, with a special section for medical and amusement ads. The tendency formerly was independent and liberal. Now, advertising, like in all other papers, has fallen off greatly and politically, the paper has become rather colourless. Nothing is known about present circulation figures, but circulation must have fallen off in view of the gains registered by the uncensored papers.

C) List of uncensored papers:

Wen Hui Pao, easily the most distinguished of all the newspapers. Editors and printing plant are identical with that of the old *Ta Kung Pao* (see List A 3), publication is made by the Wen Wei Co. Ltd., incorporated under the Hongkong Ordinances. The Editor, H. M. Cumine, is British. Considering the character of the paper, which demands quite a lot from its readers, the circulation figures are comparatively high. The tendency is as outspoken as is possible under actual conditions. The paper carries editorials. It has been bombed three times.

2) *Ta Mei Wan Pao* is owned by the American *Shanghai Evening Post & Mercury*. The *Evening Post*, in fact, claims that the paper is nothing but its Chinese edition. Usually, the *Ta Mei Wan Pao* does not carry editorials. It contains ample Chinese news, especially on guerilla fighting. There is a column "With your Morning Tea" which to some extent is a substitute for the editorial column. The paper claims to have a circulation of about 80,000. This seems possible in view of the fact that publication was started in 1931, and not only after the outbreak of the war. The *Ta Mei Wan Pao* can claim the distinction of having been bombed four times, having received poisoned fruit as a present and finally having been honoured by the presentation of two cut-off human hands.

3) *Ta Mei Pao* is the morning edition of the *Ta Mei Wan Pao*, Publication was started only after the outbreak of hostilities. Both papers use the printing plant of the suspended *Lih Pao*. Incidentally, these printing machines, like those of the *Hwa Mei Wen Pao*, had been manufactured in China. No further details known.

4) *Hwa Mei Wan Pao* started publication some time before the war. H. P. Mills is the editor and publisher. The paper is registered in the State of Delaware as the Hwa Mei Publishing Co. (Hwa Mei means China-America). Circulation fairly large. Bombed two or three times.

5) *Hwa Mei Chen Pao* is the morning edition of the *Hwa Mei Wan Pao*. (Chen means morning, Wan evening). This publication started only after the outbreak of hostilities.

6) *Tao Pao* (The Morning Leader)—published by the University Press and edited by J.A.E.Sanders-Bates, who is a British subject. Incorporated under Hongkong Ordinances. Started publication on April 1st. The editorials of this paper, like those of practically all of the new papers, are very outspoken and may be regarded as fairly representative of Chinese opinion in Shanghai. Due to the short time during which the paper has existed, it has so far been bombed only once.

It is difficult to secure material regarding papers published in other cities, but it is interesting to note that the official Communist paper, the *Hsin Hwa Jih Pao* in Hankow, now claims a circulation of over 100,000 copies, while the actual circulation is estimated to be about half that figure. This is still the biggest circulation of any paper in Hankow. Personally, the writer fails to see what makes this paper so attractive. The editorials are written in the typical Bolshevik

style and are extremely long. In this respect, our local *Wen Hui Pao* is far superior. One must conclude that the paper probably contains news, especially of the Eighth Route Army, which the other papers find difficult to get.—The copy is daily sent by 'plane to Hongkong, where a parallel edition has made its appearance. Ideological divergences between Kuomintang and Kuomintang and Communist papers seem to have completely vanished and occasional polemics are being conducted in a moderate tone.

How long the present phase of resurrection, which has followed that of suspension, is going to last, nobody can foretell. This depends ultimately on the policy of the Shanghai Municipal Council and on the fate of Shanghai. The outlook, to say the least, is uncertain.

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The fact that the *Sin Wan Pao* has submitted to Japanese censorship apparently has not improved the paper's relationship with the Japanese because the local Japanese paper, *Nippo* published a report on June 28 alleging that the *Sin Wan Pao* planned to suspend publication shortly. The *Nippo* referred to the *Sin Wan Pao* as the "only Chinese owned paper in town." The same story alleged that the Japanese were planning "to take more definite measures to control the press of Shanghai."

Of even more startling interest was a report in the *Okuyama Service* (Tokyo, June 20) that the well known Tokyo paper *Asahi Shimbun* was planning to purchase the *Nippo* and enter the Shanghai field. The report claimed that the pending deal had the support of the Japanese Government as being in line with "national policy." It also was claimed that the *Osaka Mainichi* wanted to enter the Shanghai field, but in view of the Asahi's move the Osaka paper probably would transfer its activities to North China.

There also was a report circulated in Tokyo that the English edition of the *Osaka Mainichi* had offered to purchase the *Japan Advertiser*, American paper in Tokyo, but B. W. Fleisher, the publisher had declined the offer of Yen 250,000 and demanded a minimum price of Yen 1,000,000.

***

Dr. T. T. Li, Director of the Department of Intelligence and Publicity of the Ministry of Foreign Affairs at Hankow, in a statement circulated by *Kuomin* on July 12 paid a high tribute to the Chinese press which had set a high standard of service in wartime. He said that while wartime had usually resulted in restrictions for the press, the opposite had been the situation here. The conflict had given no occasion for friction between the press and the authorities. Dr. Li declared that the Government had received full cooperation of the press, excepting a few papers which were run by Japanese in occupied areas. With the entire people of all political parties and groups united on the program of resistance, the problem of an opposition press had been made non-existent. There was criticism, of course, but the war had aroused the Chinese press, made it more lively and resourceful. "Today," declared Dr. Li, "one cannot pick up any Chinese paper without finding interesting discussion of political, military and economic questions of the hour. . . including candid and constructive criticism of the government."

Dr. Li said that the same free expression of opinion prevailed in the magazines, which had also become more enterprising and had greatly increased their circulations as a result of the war situation.

While the press in Japan was rigidly censored as a result of the hostilities, the old Chinese censors now had an easy job because the Government made no attempt to hide the true situation from the people. In Japan an opposite situation prevailed where it was practically impossible for any newspaper or magazine to print anything without infringing innumerable laws restricting publication of this and that and in addition there were the even more drastic regulations prohibiting publication of military "secrets" or military information of any kind. In China the press had performed an invaluable service in keeping the people informed regarding the military situation . . . . "thus the Chinese people fully understood the necessity of strategic withdrawals and were prepared for the sacrifices demanded by prolonged conflict."

German Trade With China Shows Sharp Decline

The anniversary of the outbreak of hostilities in the Far East prompted the Berlin daily paper *Germania* to survey the effects which the war has had on German trade with China and Japan, the result of the investigations showing, in the case of trade with China, developments of an exceptionally interesting character.

"The Sino-Japanese war has already had profound effects on Germany's economic relations to these two countries," the paper stated. "To some extent these effects were felt even before the outbreak of the actual hostilities since China and Japan—but especially China—both laid in stocks of European industrial products including German ones in order to be able to cope with the expected shortage of these products after fighting had actually begun. China had to reckon from the start," the paper continued, "with the possibility of a blockade of her ports by the Japanese naval forces so that this made the impulse to accumulate stocks very noticeable. After the war began and after the occupation by Japanese troops of extensive and economically important parts of of the country, imports into China underwent a very rapid and considerable decline. Exports from China at first also underwent a substantial shrinkage but soon that absolute necessity of procuring foreign exchange for maintaining indispensable imports of war materials made itself felt so that Chinese exports began to increase again.

"This development has affected the German-Chinese balance of trade very markedly, particularly in the last few months. In 1936, German exports to China aggregated in value 132,500,000 Marks, while imports from China only totalled 113,500,000 Marks. In 1 37 exports to China, however, rose to 148,000,000 Marks while imports from China had fallen to 93,600,000 Marks. When the first quarter of 1937 is compared with that of 1938, it is seen that the tendency has now become reversed. In the first quarter of 1937, Germany exported to China 35,100,000 Marks and imported in the same period goods to the value of 17,740,000 Marks. In the first quarter of 1938 German exports to China totalled only 21,680,000 Marks while imports from China are returned at 29,860,000 Marks, which is an increase of about 70 percent over the imports during the corresponding period in 1937.

This means that in 1937 German exports to China increased as compared with 1936, these exports consisting almost exclusively of industrial products, whereas as a result of the decline in China's exporting power there was a decrease in imports from China. This resulted in triping the trade balance in Germany's favor. But in the first three months of 1938 the position has changed, inasmuch as the Chinese market, apart from the need of war materials and machinery, can scarcely import anything so that German exports to China decreased appreciably. On the other hand Germany's imports from China show a substantial increase. The result of this completely altered tendency is that for the first time German trade with China becomes negative for Germany.

German imports from China consist principally of textile raw materials, like cotton, wool, flax and hemp, and foodstuffs such as eggs, dried albumen and egg yolk. Among the German exports to China nitrogenous agricultural fertilizers, paper, cardboards, analine dyes, cast and wrought iron, iron wire and railway track materials are the main products. With regard to German exports to China in recent months it must be borne in mind that a large part of the goods shipped to Hongkong with China as final destination are probably not listed under the China trade figures.

Japanese Honor Members of German Medical Mission

The Japanese Emperor on July 7 presented high decorations consisting of the First Class Order of the Sacred Treasure and the Second Class Order of the Rising Sun with Double Rays respectively to Surgeon-General Anton Waldmann and Surgeon Lieut.-Gen. Hans Kaafer. Four other members of the German Medical Mission were also given decorations by the Emperor, according to the *Domei* report.

Although little has appeared in the Japanese newspapers and no announcements were issued while the Mission was in China, it recently became known that the Japanese military authorities conducted the members of the German Medical Mission over practically all of the Japanese military lines on the China front. Later, the Mission was taken to Manchuria and taken on a tour of front line positions along the Soviet border in that region also.

Chinese reports from Hankow alleged that the German mission included experts on all phases of war medical service.

China Slows Down Japan's Advance On Hankow

THIS week, Japan, with the spearhead of its army pointed at Kiukiang, made little progress as it drove westward along the southern bank of the Yangtsze River, keeping in mind its ultimate objective of Hankow. It may have been a tiring Japanese army which after its capture of Hukow last week, rested three days before it began its push toward Kiukiang, some 128 miles below Hankow. When they began moving, it has slowly, and despite their heavy bombardment of, and damage to Chinese positions on Lion Hill, about 15 miles east of Kiukiang, they succeeded in advancing only some six or seven miles before Chinese counter-offensives brought them to a halt while they awaited reinforcements. Kiukiang's fall, however, appears to be a foregone conclusion among Chinese military circles.

However, the Chinese were placing every obstacle in the path of the Nipponese to prevent the capture of Kiukiang. Two pontoons belonging to the Standard-Vacuum Oil Company in Kiukiang were blown up by the Chinese troops stationed in the city in an effort to prevent the Japanese forces from using them for landing purposes, information reaching the Shanghai offices of the American firm revealed July 12. The destruction of the two vessels was reported to have taken place on or about July 10. A third Socony pontoon, the message received here said, was intentionally sunk by the employees of the oil firm with a view to refloating it when the battle for Kiukiang subsides.

Other Socony properties, including the oil installations, valued here at about $3,000,000, are believed to be undamaged thus far. The two Standard oil officials in the city, P. H. Benedict and J. L. Poole, are understood to have evacuated the city and boarded the U. S. S. Monocacy.

No direct word has been received here by the head offices of the Asiatic Petroleum Company, the Butterfield and Swire and the Jardine, Matheson and Company regarding the fate of their properties in Kiukiang. Local officials of the A.P.C. and the Butterfield and Swire reported that their pontoons and other ships have been moved up to a boat concentration, at a point about four miles from Kiukiang, sometime ago. The hulk of the Jardine, Matheson and Company in Kiukiang, according to information from the local office of the firm, had also been towed to Hankow. As a result of these precautionary measures, the pontoons and ships of the three firms are believed to be safe.

Meantime, mission headquarters and Shanghai head offices of Kiukiang foreign firms had no direct information regarding the exact whereabouts of their personnel in that city.

Missionaries to Stay

Glenn V. Fuller, treasurer of the Methodist Episcopal Church Mission, said that in a recent letter received here, members of his mission in Kiukiang stated that they were planning to stay in the city. Fuller has received no subsequent information on whether the mission workers had followed other foreigners in evacuating the city. Members of the Methodist mission in Kiukiang include: Dr. and Mrs. E. C. Perkins, Miss Elizabeth Ploeg, Miss Jenny Lind, Miss Mollie Townsend and Miss Helen Ferris.

The China Inland Mission staff in Kiukiang consisted of Mr. and Mrs. William Taylor and Miss B. C. Rowe, while Jacob Frick is believed to be the only member of the Seventh Day Adventist Mission stationed in that city. Mission headquarters here had no information this week regarding their whereabouts. Other foreigners in Kiukiang include V.V.W. Fretwell, R. P. John and F. B. Elliott of the A.P.C., and A. C. Evans of the Butterfield and Swire. Although no direct word has been received here, they are believed to have evacuated the city.

Earlier reports, however, said foreigners were evecauting from the Yangtsze town, many of them boarding the H.M.S. Cockchafer, the U.S S. Monocacy and the Butterfield & Swire's s.s. Wenchow, the boats proceeding a few miles up river. The Monocacy's removal from her berth was described by a Japanese army spokesman as a demonstration of the American navy's "cooperation" with the Japanese authorities in preventing international incidents. The American ship is now halted some three miles up-river from Kiukiang, being able to proceed no further because of Chinese minefields. As small-scale evacuation got underway, Japanese authorities on July 11 urged that all third-party nationals remove themselves from seven areas in three provinces of the Central Yangtsze Valley. In notes forwarded to the diplomatic and consular representatives of various powers through the Japanese Embassy and Consulate-General here, the Japanese Army announced its intention of carrying out "most intensive bombing upon Chinese troops and their military establishments" in the zone surrounding Hankow.

Japanese authorities also requested the evacuation of all foreign ships from a 80-mile stretch of the river above Hukow. The request, a Japanese spokesman said, was prompted solely by the sincere wish of the Japanese high command to prevent, as much as possible, any third party vessels from becoming involved in "unfortunate incidents."

Japan's Bombers Active

But Japan's air forces were more active than its land troops On July 12, Japanese bombers struck at Canton, in southern China

Gen. Pai Chung-hsi, Kwangsi leader, regarded as one of Chiang's leading strategists.

The Generalissimo—Recent picture taken at Hankow.

General Li Tsung-jen, Kwangsi leader, who commanded the Nationalist troops on the Tientsin-Pukow and Lung-Hai fronts.

and at Wuchang, capital of Hupeh Province, opposite Hankow. In the Canton raid, 23 are reported to have been killed and 38 wounded. In the area adjoining Wongsha station, where the majority of the bombs fell, about 150 civilian homes were destroyed, all of them, however, being unoccupied.

The 18 Japanese bombers, escorted by about 50 pursuit planes which engaged in the Wuchang raid, are reported to have brought death and injuries to some 200 persons. Five American institutions —the American Catholic Mission, Boone University, St. Hilda's School, St. Joseph's Hospital and the Christian and Missionary Alliance—were in the line of fire, but escaped with comparatively slight damage. Appearing above Wuchang, the visitors met with very heavy anti-aircraft fire, which, however, was unable to reach the raiders, who were flying at a height of 4,000 meters. No Chinese machines went up to meet the raiders.

One wing of the Hupeh Provincial Hospital is reported to have been completely demolished by a direct hit, crushing many patients underneath the debris. Adjoining the hospital was the Christian and Missionary Alliance building, around the compound of which six bombs fell, killing two Chinese in the courtyard and shattering every window in the building. Two bombs landed near St. Hilda's School; one blowing away part of the compound wall and the other smashing the gatehouse. Two hundred and fifty refugees were in the compound at the time, but beyond receiving the fright of their lives everyone escaped unscathed.

Four bombs landed in the vicinity of Boone University and also St. Joseph's Hospital, while several small bombs are reported to have fallen into the playground near Snake Hill which bisects Wuchang, killing and wounding several students. One girl, after extricating herself from the debris of a house demolished by a bomb, became mentally deranged due to shock. Crying hysterically, she was seen running along the streets. Many bombs also dropped in the vicinity of East Lake and Lochiashan, where the Wuhan University is located.

When the all-clear was sounded, another squadron of nine Japanese heavy bombers raided the Chinese airdrome at Ichang, dropping many bombs.

China's War Birds Busy

China's air force which Japan last week claimed to have "virtually wiped out," also was active. In numerous bombing raids on warship concentrations, they claimed the sinking of several warships and the damaging of others. Early in the week, the subjected Japanese airdromes and gunboats along the Yangtsze to five raids. In three of the raids, they claimed the bombing of the Japanese planes base at Anking. In the first raid, they announced, planes bombed the Anking airdrome, where 18 Japanese bombers and 12 pursuit planes were on the ground, while in the next visit the Japanese airdrome at Wuhu and the warships lying off the port were the targets of the Chinese bombers. In the third raid, the Chinese again attacked the airdrome at Anking, and also aimed bombs at a concentration of over 10 warships which were lying off Anking. The raiders later paid Anking a third visit. In the fifth, raid, the Chinese bombers sighted one large Japanese warship and several gunboats off Hukow, and concentrated their attention on the warship.

In a dispatch to the *China Press*, K. J. Eskelund, in Canton, said that a reliable foreign source reported that a Japanese aircraft carrier, of the Chitose Class, was sunk south of the Ladrode Island two weeks ago. He said the seaplane carrier was sunk by a Chinese mosquito torpedo boat. According to the same foreigner, who witnessed the torpedoing of the Japanese 5,000-ton ship, several Russian submarines and English destroyers have recently been bought by the Central Chinese Government. The new ships, which are faster than any Japanese craft of same types, will be used when the Japanese, as is expected, will concentrate warships close to Canton.

Guerillas' Strength Grows

Increasing Chinese guerilla warfare continues to be one of Japan's biggest problems. On all fronts, China's mobile units closed in on the rear of Japanese lines, harrassing them and in many instances, wiping out complete detachments. In the immediate Shanghai area, reports of strenghtening of guerilla forces mount daily. Early this week, farmers entering Shanghai from the Japanese-controlled environs reported that the city is virtually encircled by mobile units of varying sizes.

The reports tended to confirm the current flood of rumors regarding severe clashes between guerillas and Japanese punitive expeditions in the immediate vicinity of Shanghai. Information indicated that sporadic fighting had occurred in Kiangwan, Pootung, Chapei, south of Lunghwa and west of Hungjao. Machine-gun fire heard clearly along the Bund on last week confirmed repeated reports of clashes between Japanese regulars and the Chinese mobile units in Pootung, where numbers of guerillas have been seeping steadily into the countryside.

A Japanese force of about 50 had to shoot its way out with machine-guns when surrounded by guerillas near Fenghsien. Reinforcements rushed to the area were unable to locate the Chinese and are still patrolling the district. Small gunboats went into action near Wentsao Creek, northern Kiangwan, to repel a Chinese attack recently, while air scouts and bombers have also been sent to the district to locate headquarters of the guerillas, who are reported to be present in extremely large numbers.

Heavy artillery could be heard firing somewhere to the south of Lunghwa July 8 indicating that there had been an engagement of some intensity. Japanese reinforcements were reported to have been observed proceeding to Lunghwa the next day. According to an unconfirmable Chinese report current this week, guerillas had reached the vicinity of Chapei and it is apparent from the extra precautions being taken in Hungjao that the Japanese are apprehensive of an attack in that district.

Widespread guerilla warfare behind Japanese lines is reliably reported from numerous points, and a returned traveler from Tsingtao told *The China Press* that the former coastal resort had been virtually isolated for a week towards the end of June, simultaneously with an outbreak of particularly repressive action by the Japanese authorities there.

Japan Grateful Powers Not Building Bigger Ships

DECISIONS of the British, American and French Governments to refrain from building 45,000-ton capital ships this year was seen by Japanese naval critics recently as "indisputable evidence" that these Powers recognize the falsity of reports that Japan is building super-warships. Reports of such building plans by Japan were blamed for inducing the three countries to invoke the escalator clause of the London Naval Treaty.

The Japanese observers were inclined to believe that invocation of the escalator clause was "designed simply to justify their desire to increase naval armaments." They watched with great interest for the announcement of what tonnage will be assigned to two British capital ships and one American capital ship, whose keels will be laid next year.

England and America were criticized by Japanese newspapers for invoking the escalator clause of the London Naval Treaty of 1936 and increasing capital ship tonnage from 35,000 to 45,000 tons. Leading the editorial barrage, the *Nichi-Nichi* took to task England and America for their alleged "crafty move" to increase naval armament by "taking advantage of groundless rumors," which the paper suspected were "spread by them deliberately."

Japan Hot in denunciation

"Wild rumors regarding the China hostilities designed to compromise Japan have been persistently spread in England and America," the journal charged. The *Nichi-Nichi* suspected that "most of the groundless rumors were circulated deliberately with an ulterior motive, just like the rumor regarding Japan's super-warship building, which now has been utilized for invoking the escalator clause."

The *Yomiuri*, another leading newspaper, declared that a "super-warship era has been ushered in by England and America, who hurled a false accusation against Japan in their attempt to legalize their naval expansion policy."

Four 35,000 ton battleships, however, will be built before the United States avails itself of the new upper limit of 45,000 tons. These four, would be additional to two which are already under construction.

These Navy Department has ordered its dockyards to build three new submarines, while a similar order has been placed with the Electric Boat Company. Each of these submarines will have a displacement of 1,300 tons. The total cost of the order will be in the neighborhood of U.S. $30,000,000.

The new ships will be completed within 33 months. Naval dockyards will also construct ten auxiliary units at a total cost of $23,000,000.

London Surprised

Surprise over Washington's decision to lay down four 35,000-ton battleships was expressed in London diplomatic circles. Their astonishment arose from the fact that on June 30 the United States, France and Great Britain signed the protocol in which they invoke the Escalator Clause of the 1936 London Naval Treaty. The U. S., they point out, is now free to surpass the 35,000-ton construction limit and may even go as high as 45,000 tons.

New British Officers for Asiatic Posts

The British War Offices announced July 9 that the King has approved of the following appointments:

Lieutenant-Colonel Sir John E. Laurie to the Command of the British troops in China in the Tientsin area, with the temporary rank of Brigadier, in succession to Brigadier A. H. Hopwood, whose tenure of office expires on April 16, 1939.

Lieutenant-Colonel J. T. W. Reeve, of the Rifle Brigade, to the Command of the Hongkong Infantry Brigade, with effect from about September, next, in succession to Colonel F. W. Bissett who is retiring.

Lieutenant-Colonel C. A. E. Cadell, of the Royal Artillery, to the Command of the Anti-Aircraft Brigade in Singapore, with the temporary rank of Brigadier.

China's Youth Is Ready for War!

BY HIN WONG

A year of war in China, while having caused immense destruction of life and property everywhere except parts of west China, has not spiritually disheartened the Chinese people; but, as a matter of fact, it has helped to create a new force within the nation, a body of young men and women, including little boys and girls, who may be depended upon to eventually preserve and maintain China's strong stand in the family of nations.

Every small town or village outside the war zone in the Republic now-a-days has its book-shops or newspaper-stands around which young people and children gather in their leisure to find what is the latest in print. While it is true that there has been too much written on the various phases of Japanese life, political, military, social, and economic, it appears that there may be a silent influence behind a belief that a comparative knowledge of the outside world—including that of the enemy, particularly—would inspire greater exertion on the part of Chinese youth. New China, with untold and unexploited resources on a civilization solid and durable, certainly will be able to accomplish what some countries less favorably endowed have successfully done. Practically every important subject useful and necessary to intelligent citizenship may be bought and read at five cents a pamphlet. From an advertisement taken at random, it lists:—"What Every Youth Should Know in Wartime," $.55; "China-Mongolia-Soviet Relations," $.16; "Japan on Way to Ruin," $.33; "The Army, Navy, and Air Force in Soviet-Russia," $.22; "Common Knowledge, or A.B.C., in Political Science," $.44.

Japanese publications are lacking in details, as they have always been in matters requiring careful study, when they repeatedly report progress in Chinese communications; but it may be stated that interior China has advanced much faster than what many friends of the Chinese people would admit. China today has means to reach Europe, Africa, and other parts of the world without any fear of an enemy navy; and where and how it may be done within a short period without outside knowledge cannot be explained at the present moment. One thing, however, can not be hidden, and this is the frequent scenes of hundreds of men at road-building in the west and other parts of China. The Province of Szechuen would not have ordered a hundred cars from a foreign firm, unless there are motorroads for them.

Scouts at Work

Boy and girl scouts these days may be seen in remote districts everywhere helping to locate new specimen of wood and plant. Who knows that they may not be among the groups who will develop lumber yards to suit modern requirement or to prepare Chinese medicine according to modern pharmaceutical methods. Recently a division was reviewed in certain city in west China, all appearing in new uniform and under latest brand of arms. Some of the young officers were not just able-bodied men quickly trained and offered by district authorities for national service through the provincial government; but many of the coming generals, aside from possessing a diploma and college degree, have had intensive military training during their freshman, sophomore, and junior years. Military training among young men and nursing for girls was required in Chinese middle schools and colleges as far back as six years ago, and their significance was not realized until this day.

While the National Government of the Republic of China, through its Ministries of Finance, Economics, and Communications, are driving for greater and increased production along all agricultural and industrial lines, in order to strengthen the hands of the military authority, the Ministry of Education, with the support of school bureaus and inspectors throughout the unaffected area, is pushing a wartime educational program, not ignoring the importance of mass intelligence.

Scout encampments, students tours, while having their own purposes, have also carried the message to the people; and young men and women, after visiting newly-established steel foundries, cement works, modern machine shops, will lose no opportunity in acquainting the older folks with what may be future possibilities. Educational movies under the auspices of the Ministry of Education with the aid of the University of Nanking, have greatly facilitated mass information, in addition to people's educational halls and museums now found everywhere in charge of country governments.

Adults these days in many interior districts are also encouraged to attend mass education schools; and mothers often do not have to fear that their children may go astray, as some of them may be placed in nurseries managed by volunteer workers, young ladies from wealthy families free from household care. Children now-a-days do not have to play on the streets, many towns having public parks in which reading rooms and playgrounds may be found for the youngsters only. Many boys and girls these days also have learned the habit of gathering before radios and bulletins to hear the latest in war news or other interesting information.

War is fast destroying material China but also hastening reconstruction in other matters, in new spirit and new life.

Students Patriotic

Chinese students today are an intensely patriotic and earnest lot. They have only two objectives in view: To fight Japan and to create a new society in which science, education and capital are made to work for the welfare of the masses.

This statement was made by Professor S. Lautenschlager, of Cheeloo University, Tsinan, Shantung. During the last three months, he has spoken to more than 12,000 Chinese students on religious, social, political and international topics in different cities and he should know the thoughts of Chinese students in wartime. The professor is a most interesting personage. Of German ancestry, he was born in Canada and educated in U.S.A. Armed with a British passport, he has been working in China for 18 years.

Among the Chinese cities visited by Professor Lautenschlager on his lecturing tour are Shanghai, Hongkong, Canton, Macao, Hengyang, Changsha and Hankow. He is shortly going to Szechuan. Even in Shanghai he found the Chinese students have kept up their patriotic and active spirit. He described Shanghai a "free island" where the love of country can still be taught and the Chinese flags are flying as usual despite the Japanese ring of steel around it.

Health and Preparedness—Chinese youths of both sexes at Hankow recieve physical training.

What has the war done to the Chinese students? For one thing it has made them realize, the professor said, that force is necessary to defend their country. Simultaneously, it has caused them to foresake whatever differences that used to exist among themselves. Many Chinese students have gone to the war. There is no better demonstration of their patriotism than the thousands of applicants to enter the aviation academy. However, it is not the Chinese Government's policy to allow all students to become soldiers, he stressed.

China today has only 40,000 collegians, whereas the U.S.A. had at least 1,000,000 when she entered the World War in 1917. China, having a large population, has no difficulty in finding soldiers. As to students, they are too precious to the nation's future to be risked on the battlefield.

Hospital Still Operating

Professor Lautenschlager is a member of the Cooperative Commonwealth Federation of Canada. For the last eight years he has been teaching in Cheeloo University, which was founded jointly by the American Presbyterian Church, the British Baptist Church and the United Church of Canada. The school closed up last October before Japanese troops got there. Its hospital, however, is operating.

The professor is an evangelist first and last. Everywhere he goes he spreads the gospel of Christianity. A large number of the Chinese students to whom he talked have become Christians. He attributes this partly to his irresistible appeal and partly to the fact that the students have felt the need of Jesus Christ's faith and especially his spirit on the Cross, the very things they want in their efforts to save their nation and create a just society.

Professor Lautenschlager described the Chinese as a fundamentally democratic people, and hence they will never stand for Fascism. Nationalism has been aroused in China as never before in her history. Will China become aggressive? No. He cited such basic Chinese philosophies as "world unity" "world is one family" and "all within the four seas are brothers" to support his view which has behind it 18 long years of work among the Chinese people.

Sikong—A New Wall in the Bulwark Against Japan

BY C. Y. W. MENG (孟 昭 漪)

SIKONG, or the "Western Peace," is made up with a portion of Tibet and some of the Szechuen districts. It is a remote hinterland, virtually unheard of in other parts of the country. But as a result of a year of war which the Japanese have forced upon China, a closer contact between China Proper and all frontier districts has been effected.

Miss Liu Man-ching, a native of Lhasa, capital city of Tibet, and now a representative of Tibet to the Political Council, toegther with four others—one Tibetan and three Sikong people—started for Sikong from Shanghai last August, traveling extensively in Sikong. She has now returned to Chungking on her way to Hankow to make a report to the government. In an interview regarding the present situation in Sikong, she made the following significant statement:—

> "Formerly, there was a war between Sikong and the Tibetans, but such war is over, and the whole attention of the people in Sikong is now directed towards the present war of resistance against the Japanese invasion. Formerly, the Sikong Lama, like other lamas, devoted themselves only to the religious matters and chanting of the Buddhist classics, but today they are very mindful of the national affairs, and *they are just as patriotic as the other citizens of the Republic!*"

Asked to give some instances to substantiate her statement, she gave the following:

(1) "In every hsien, there is one 'Association For Supporting the Resistance Against the Japanese Invasion; organized entirely by the Sikong people. In every hsien—big or small—the training of the able-bodied youths has been going on most intensively. This time, no distinction is made between the Han (Chinese) and the Sikong natives, for all of them are put under the rigid military training on the same equal basis and are to be sent to the fronts.

(2). "In every temple, the Lamas holds big prayer meetings to chant *Ta King* (Grant Buddhist classics or canon) *to pray for the Central Government.*" Asked what is meant by *Ta King*, she explained that "Ta King Prayer Meeting" differs from the ordinary prayer meetings since it is very rarely held, and it is participated in by all lamas in the temple (numbering about 2,000 or 3,000). Such big prayer meetings usually lasts many days. These are certainly important and unusual occasions, but it must be noted that such Ta King prayer meetings are being held not by the order of officials but at the request of the lamas themselves, entirely out of their patriotic desires.

Precious Gifts Presented

(3) "No less than 400 precious religious vessels and silver ornaments from both men and women in Sikong were presented by the people throughout the Province of Sikong to the Government as their humble contributions to the war funds, as well as national salvation funds; and we (meaning the Sikong People's Delegation now in Chungking on their way to Hankow) are asked to carry them here: They are mostly silver earings, rings, bracelets, gold and silver Buddhist lamps and boxes and other Buddhist vessels of various natures. One of them is a gold cloth scress, embroidered with gold thread, bearng Budhist images, It is said its be very valuable. According to the Buddhist customs, in order to pray for an early victory, the following articles must be presented: one saddle, one Buddhist bible, two pieces of leather, one Buddha, one Buddhist image and one vessel. So this time the Sikong people presented all these articles to the government. They are all made by workers in Sikong.

(4) "In addition, a delegation of ten representatives of the natives of Sikong is now here, and they are on their way to all fronts to console our generals and soldiers and aviators for their heroic deeds in the defense of our nation . . . . Out of these ten representatives, there are some Sikong "living Buddhas,' . . . . . All our travelling expenses are borne by the people in Sikong . . . . The sending of such delegation to the war fronts is the *first* of this kind in the Sikong history. . . ."

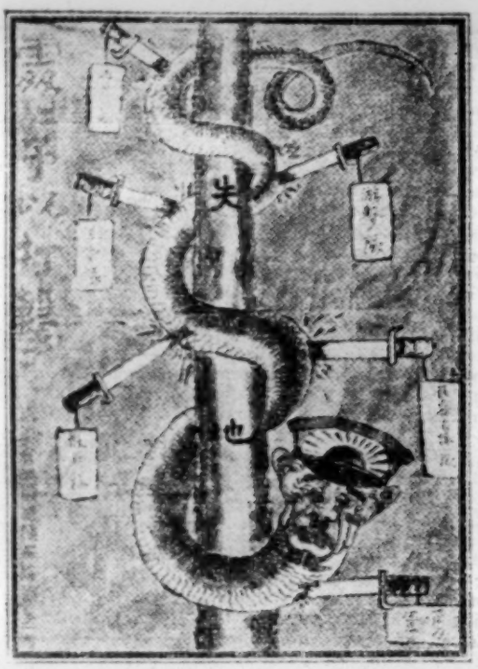
In the afternoon of June 21, the Chungking Kuomintang Headquarters had another elaborate gathering when a reception party in welcome of the Sikong Delegation was held. Miss Liu Man-ching delivered a brief speech making a report of her trip to Sikong. One of the Sikong representatives—"a living buddha"—also delivered a stirring speech in which he said:

> "When the Sino-Japanese hostilities were first broke out on July 7, we thought it was another civil war. Not until the invaders opened their attack on Shanghai did we knew that it was a war with the *imperialistic* Japan, and we realized it was a war in which we had fight for our existence: Though we are backward people, our desire to save the nation is not behind that of any of the other citizens of the Republic. We want to assure you that we, the people in Sikong, are undertaking various national salvation work within our ability. All people in Sikong have faith in the final victory going to China, and we all entertain the belief that under the direction of Generalissimo Chiang Kai-shek, we, the Chinese, will be able to accomplish our 'holy mission' in struggling for the emancipation of our people, and in the recovery of our lost territories!"

Sikong to Be A Province Soon

In the mean time, this writer has read many interesting articles and booklets by both the Chinese writers and the people of Sikong about Sikong. All of them agree on two points. First: Sikong should be formally established as one of the provinces in China. (At present, Sikong is not yet a province, and there is only one "Committee" in Preparation for the Establishment of the Province, to which General Liu Wen-hui, Commander of the 24th Army, is concurrently the chairman). They all point to the previous precedent, in the establishment of Chahar, Ninghsia, etc. as provinces. But as far as I know, the matter is practically all settled, and Sikong will soon be one of the provinces of China Proper, and the only question remaining unsettled is the boundary issue. It is said that General Liu's air trip to Hankow a short time ago was partly for this purpose.

SERPENT BLEEDS TO DEATH



Newsweek

Poster designed at Hankow to show how China's armies and guerilla bands are bleeding the Japanese serpent to death.

Secondly, many writers point out that with the occupation of Shanghai, Nanking and part of the Yangtsze Valley by Japan, there may be some effect on the importation of supplies. So the only way is to develop the provinces of Szechuen, Sikong, Yunnan and Kweichow, and to let these provinces do the supplementary work, some writers point out. Sikong lies at the rear of Szechuen, and it is immune from the enemy's threat. Therefore, it is the most suitable place for the establishment of heavy industries and armament works. The central government should plan to establish large-scale factories, machine shops and mills in Sikong in order to meet the needs during the present prolonged war of resistance against Japan. As the Chinese cotton mills in Shanghai were almost entirely destroyed by the invaders, there should be a large-scale development of the Sikong wool industry to take the place of the cotton, other observers say. Therefore, Sikong is another "rear" province destined to play an important role in the present war against Japan.

Chungking, June 22, 1938.

Chinese Banks' Warehouses Sustain Huge Demege

Damage estimated at more than $260,000,000 was inflicted by the hostilities upon about 260 warehouses owned by Chinese banks in Kiangsu and Chekiang Provinces, *Domei* reported. Goods stored in these warehouses consisted of rice, wheat, silk, flour, and piece goods. Most of the warehouses were situated in cities along the Shanghai-Nanking and Shanghai-Hangchow Railways, according to these reports.

Canton Foreigners Beg World to Halt Credits to Japan

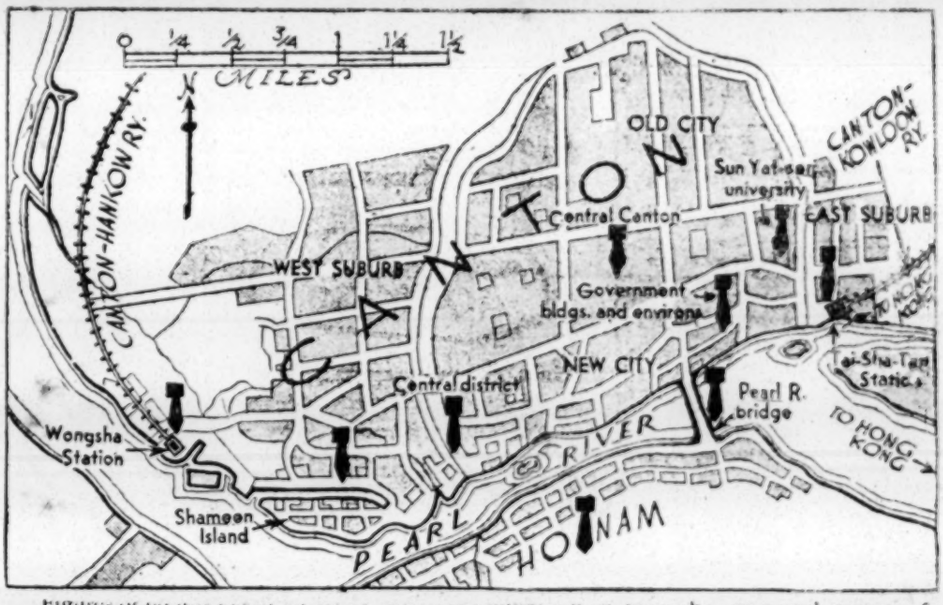
REPETITION of the rape of Nanking in Canton in the near future is foreseen by six American physicians and one British doctor, resident in Canton, who volunteered for relief work when the Japanese navy planes mercilessly bombed the city in June, causing a death toll estimated as high as 9,000 in less than a two-week period.

The physicians, Drs. R. L. Lancaster, W. W. Cadbury, C. A. Hayes, F. Oldt, T. Stevenson, J. O. Thompson and P. J. Todd, in a recent letter to the *North-China Daily News*, expressed their fears that the looting, arson, murder and rape visited upon Nanking, may be dealt out to Canton, Hankow and other cities unless "nations of the world rise up in righteous indignation to prevent it." The medical men speak from experience, for it was this group who braved Japan's heavy bombardment of Canton to care for the injured and dying civilians.

Their letter to the *North-China Daily News* follows:

Almost daily *Domei* the Japanese news agency, reports statements by a "Foreign office spokesman" and by "a spokesman from the Embassy" to the effect that "Japan would do well forcibly to demand the withdrawal of foreign nationals from the new danger zone"—Hankow and South China; and "that neither Japan nor any of the foreign powers will desire the recurrence of the Panay or Ladybird incidents." These are evidently warnings that 'accidents' are likely to happen to foreigners and foreign warships. Whether such accidents happen will depend solely upon the junior officers of the Japanese army, navy and airforce, for the whole world knows that the events referred to by the Japanese spokesman were deliberate and intentional. A Japanese military spokesman bluntly remarked. "The Japanese Army acts, the Government explains." The Japanese army desires to drive foreigners out of China. The Government desires to have no foreign witnesses of the atrocities of the army.

We foreign physicians working in Canton and some of us in connection with the International Red Cross, witnessed many terrible sights during the inexcusable, ruthless and barbarous bombing of this city, which the Japanese ambassador in London himself admitted was ordered with the intention of demoralizing the Chinese people. This object was, however, unsuccessful. The lives and rights of hundreds of foreigners were totally disregarded.



Figures of bombs locate important points of Canton which were the principal targets for Japanese air raids during June. The death toll for nearly two weeks of constant bombing has been estimated as high as 9,000.

Halt Japan's Credits

In the event of the capture of other large Chinese cities, such as Hankow and Canton, unless the nations of the world rise up in righteous indignation to prevent it, we may expect a repetition of what happened at Nanking—looting, arson, murder of civilians, and raping on a tremendous scale, by a huge Japanese army of occupation run amok. Will you in America, Britain, France and other civilized countries, who have expressed your friendship for the Chinese people continue to provide credits and materials for the Japanese armies to capture and destroy the cities of China and their noncombatant population? If you are not with China you are against her.

The Japanese speak of the Panay and Ladybird, and appeal to foreign nations for a non-recurrence. At Swatow on June 23, *Reuter* reports: "The air raid was characterized by the contemptuous low flying over the U.S.S. Asheville, H.M.S. Dainty and foreign property."

June 13, The *South China Morning Post*, Hongkong reports: "The Japanese Consul General in Hongkong has delivered replies to the British, French and American protests against Japanese flying over Shameen (the Anglo-French concession) and bombing the Lingnan University (American). To the British and French the reply reiterated that instruction had been sent to the Japanese navy to respect foreign territorial rights which must be rigorously carried out." June 16, S.C.M. Post reports: "Eight Japanese planes again violated the neutrality of Shameen yesterday when they flew over the foreign settlement on their way to Wong Sha" (railway station). As they crossed Shameen where all of the Foreign Consulates are, they opened fire with their machine guns on the Chinese just across the canal who thought that was a safety zone. We have some of the wounded in our Hospitals. If this order was actually given by the Japanese Government in Tokyo, it was disregarded by the Japanese airmen. This proves that the Japanese military forces are completely out of control.

At Nanking the army refused to obey orders issued from the Japanese Embassy. We submit that the Japanese military forces have broken the international law of nations, the laws of decency and humanity and have trampled on the personal rights and interests of America. Britain, France and other countries.

Ask Severance of Relations

Now is the time for all those nations that believe in law and order, in whom the rights of humanity are still held supreme, to sever completely all relations with the Government of Japan. Thus only can the militarists be restrained from their mad attack upon the civilization of the world.

The Japanese repeatedly insist that foreign flags must be flown. Why? The French Hospital, The Hackett Medical Center, the Hospital of the New Zealand Presbyterian Mission had large flags painted on their roofs. The first was bombed. The second had bombs dropped between several of its buildings. The third had bombs dropped beside it.

In the June 4 number of the *Saturday Evening Post*, Edgar Snow writes: "It is gravely to be doubted whether an isolated China can defeat a Japan helped by the entire world,—the democratic powers financing the conqueror by extending credits to Japan directly or indirectly. Given after that, a mere decade in which to exploit their prize, given the continued assistance of the Western Peoples—who still blissfully imagine that all this is no direct concern of theirs—Japanese militarists will then build an army any navy capable of wrecking the earth, themselves included, and great numbers of the despised white men, whom the Japanese are now gleefully making their footballs in China."

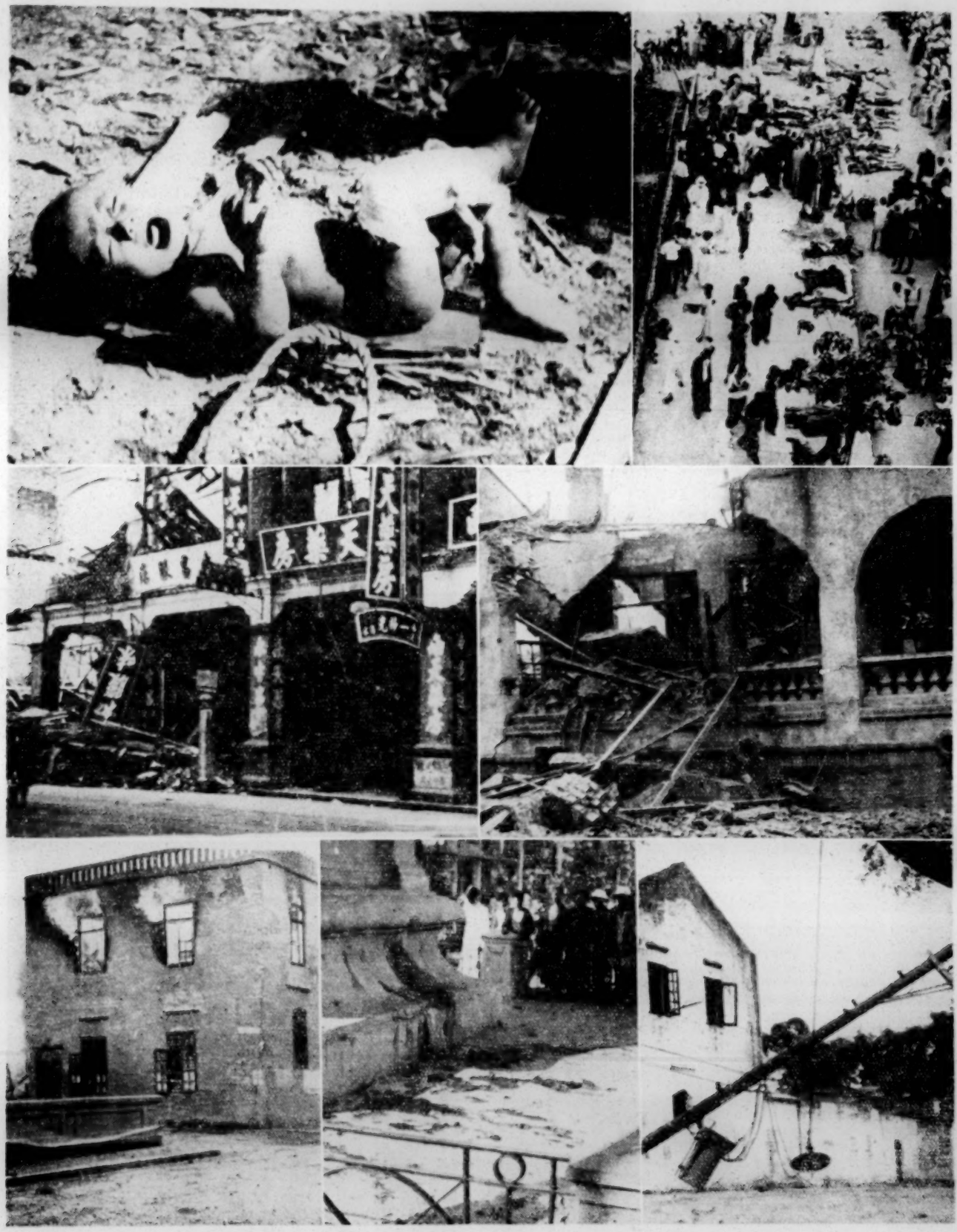
Democracy Doomed?

Are you helping to hasten the doom of civilization for a little temporary gain? You who are providing the money and the materials for the slaughter of the Chinese women and children—you who believe in peace at any price rather than in the righteousness which exalteth a nation—you have no come back if some day an enemy bombs your city from the air, calling it a fortified zone, and your homes and public utilities and educational institutions, military objectives—or if, when it is captured, your homes are looted and burned, you and your fellow citizens murdered, your wives and daughters raped and murdered, as at Nanking and many other places. The success of the Japanese armies is due to your help. The suffering of the Chinese people is due to your apathy and to your purchase of Japanese goods.

That Japan is the aggressor in this conflict has been abundantly proved to the world. She has wantonly invaded a peace loving country, which has never attacked another nation, and is in no way responsible for the present "incident."

If the democratic nations of the world do not rise at this time to help China, then it is our opinion that freedom and democracy in the world are doomed to extinction.

TO CANTON: DEATH AND DESTRUCTION FROM JAPANESE BOMBERS



What more damning indictment of Japan for bombing of non-combatants could be shown that the photo (upper left) of this wounded Chinese baby, crying for its parents who were killed when Japanese raiders bombed Canton mercilessly for two weeks during June? The upper right photo shows Changte Street in Canton where more than 100 were killed and wounded. Relatives are shown examining bodies, searching for members of their families. (Center) The market section, Han Min Nan Road, and a British residence, in utter destruction. (Lower) 1. Wreckage of the Kwangtung Mutch Factory, the burning chemicals in which made a roaring inferno. 2. Bloods stains from those killed, are seen on the memorial statue of Admiral Chen Pei-kwang. 3. The hollow shell of the Christian Middle School, bombed by Japanese naval aircraft.

Japan's Living Standard Hits a New Low

IF Japan's economic condition was not approaching the pathetic, the numerous restrictions the Tokyo government is forcing upon its citizens would appear in a humorous light. However, the country's zealous attempts to conserve every ounce of her meager resources is a serious affair, and the government propaganda organs are forcing bit-by-bit the people to submit to a even lower standard of living.

Men will not be able to shave, and women will be unable to curl their hair; phonographs but no records. These are some of the stringent restrictions clamped on the nation as the war-time grip tightens around citizens in the lower brackets.

Even mixed cotton is being prohibited for use, and all material is to be made of staple fiber, except for the clothing of laborers and farmers. Furthermore, prices cannot be raised on any textiles except silks. This ruling went into effect in Japan on July 1.

Textiles for home consumption that now are a mixture of cotton and staple fiber will be made entirely of staple fiber, with the exception that a certain amount of mixed textiles will be provided for the clothing of laborers and farmers "because of the difficulty of forcing them to use clothing made from staple fiber only." The regulations, all under the new program for the textile industry, will be in four sets, relating to the manufacture of cotton cloth, control of yarn and textile prices, the sale of yarn and textiles and the use of yarn and textiles. In accordance with the policy of reducing domestic consumption of raw cotton to help the new system of linking imports of cotton with exports of cotton textiles, the manufacture of textiles from pure cotton and cotton mixed with staple fiber for use in Japan has ceased, though an exception will be made for cloth intended for military use and a few other purposes to be specified.

Fixed Prices for Yarn

To provide textiles for the clothing of laborers and farmers, the Ministry of Commerce and Industry will have the Spinners' Association and the Cotton Textile Guild purchase at fixed prices all the yarn and textiles of cotton mixed with staple fiber that exist at present on the wholesale market and turn them over to other groups for conversion into clothing. When this material is exhausted, permission will be given for the manufacture of a certain amount of mixed textiles for the same purpose. There will be no ban on the manufacture of yarn and textiles of unmixed cotton intended for exportation, with the exception of such as is to be sent to the Kwantung Leased Territory, Manchukuo and China, which are in the "yen bloc" and therefore do not pay in currency that is of value in purchasing war necessities in other countries.

Another set of regulations will prohibit increases in the prices of all textiles except those made of silk. There also will be control of the distribution of yarn made from cotton mixed with staple fiber and of textiles made from such yarn. The yarn will be distributed to weavers through the Cotton Textile Guild instead of through wholesalers as at present. The counts of this mixed yarn are to be restricted for the sake of economy.

The government banned 34 new items of pig iron articles. The following are banned:

Book-stands (including book-ends), chandelier, desk, table, bed, shutters, mail boxes, radiator, gas stove, electric stove, iron kettle, gotoku used in hibachi, table bell, namecard case, spinning, dyeing or regulating machinery, machinery or tools used in manufacturing ceramics of all kinds except glass and fireproof Bricks, printing or book-binding machinery or tools, all barbers' instruments except clippers. Also all machinery for making the following articles or parts of the following articles:

Nails other than those for use in horse-shoeing, iron nets, confectionery, beverages, alcoholic or non-alcoholic, perfumes, soap, celluloid or celluloid articles, paper and paper articles (except some special varieties), brushes, cotton and hemp nets, ropes, hats, matches, powdered metals for guilding, fountain pen, crayon.

Kettles to Become Curios

Makers of the famous Nambu iron kettle are said to have already been shifted to munition factories for the most part in anticipation of the ban on the manufacturing of iron kettles of all kinds. The employment offices will take care of the remainder. This means that the iron kettles now in the households throughout the country will become curios. Table bells will no longer ring for the officials or company directors sitting at ease on swinging chairs. Perhaps the wooden gong used in the temple may be substituted.

But no substitutes can be found for barbers' instruments. Barbers hereafter cannot buy razors, scissors, curling irons, anything except clippers. Men will thus have to go close-cropped *a la soldat*, wearing moustache and beards. As there will be no curling irons and various other ingenious devices for waving hair the troublesome "permanent wave issue" will dissolve of itself. Thus all frivolities of all kinds will be taboo in effect as in spirit.

There will be phonographs but no records. Fish will be broiled on bamboo spits instead of iron. Yoshino cedar will replace iron tanks for brewing. How are soda and ale to be made? Perhaps these luxuries may have to be abandoned.

The problem before the government, is how to prevent hoarding by retailers and mad buying by consumers. With the retail price of June 28 as the standard the prices would have to be kept down but how? Economic policemen and inspectors must set to work to strengthen vigilance to assure fair dealing but effectiveness of their activities will depend much on prompt reports and notification by the public.

The Commerce and Industry Ministry estimates that the existing retail stock of cotton manufactured articles will be ample for the people's needs for one year hereafter.

On July 9, Japan's economic fabric was placed on an emergency footing as stringent regulations were placed on the manufacture, sale and consumption of virtually all major commodities, in accordance with the general mobilization of commodities decided upon at an emergency meeting of the Cabinet on June 23, the Government promulgated a decree placing 17 out of 32 major commodities under emergency control, including gold, platinum, copper, gasoline, heavy oils, pig iron, steel, cotton piece goods, woolen fabrics, hides, leather, rubber, American timber, lead, tin, zinc, nickel and antimony.

WHAT THE RISING SUN DISCLOSED!

York in the Louisville, Kentucky Times

Other Controls Coming

It was predicted that the emergency control will be extended soon to cover mercury, chemicals, medicines, home produced timber and paper. General consumption of flax and hemp was practically banned by state control of flax and hemp mills. General consumption of benzol, toluol, carbolic acid, asbestos, sodium nitrate, industrial salts, potassium and rock phosphate, were subjected to restrictions by the operation of the foreign exchange control act.

Departmental decrees were promulgated by the Ministry of Commerce and Industry for reserving non-ferrous metals for military purposes. These include lead, zinc, tin, antimony and nickel. The use of rubber or reclaimed rubber was banned in making shoes, slippers and gloves except for military or medical purposes. At the same time the Government took action to regulate prices of commodities by banning increases in prices on deignated commodities beyond the quotations prevailing on the day before the issuance of the new regulations. Fourteen articles designated in the price increase ban include: hemp and flax goods, imported timber, shellao, gum, pine resin, rubber goods, oil, paper, carbon, zinc, red lead, carbolic acid and borax.

Effective July 15, the private use of lead, zinc, antimony, nickel and other metals needed for manufacturing munitions was restricted by the Ministry of Commerce and Industry on a war-time policy. The Ministry has also decided to control the distribution and consumption of rubber.

Japan Is Still "Riding the Tiger"

TOKYO, on July 7, figuratively sat back and viewed domestic and external situations, both of which are fraught with gloom, and then, paradoxically, rose, preened itself and issued an avalanche of optimistic statements which could have cheered no one, not even the authors.

The one-year war anniversary was not a happy one for China; no more so for Japan. What Japan saw as it reflected upon the happenings since July 7, 1937, should have been enough to chill the heart of the most ardent militarist. A gold reserve almost entirely depleted . . . . a currency dropping steadily in value on the open market . . . . a nation shackled with a host of restrictions where money is being made of aluminium . . . where motor cars must coast down hill to save gasoline . . . . where men must grow beards because metal cannot be used in making barbers' tools . . . . where gold is removed from the teeth of corpses so more shells can be bought to kill more Chinese . . . . where cotton and woolens cannot be used in clothing material and staple and glass fibers must be substituted . . . . where leather cannot be used for shoes and men and women must return to the wooden geta . . . . where you cannot speak an honest thought or voice a criticism lest you be locked indefinitely in jail . . . . where the graves of those killed on China soil stretch for miles and mil s . . .

But Japan's military government was still "Riding the Tiger," and, in so doing, voiced what was expected of them: the determination to prosecute their "holy war" in China until the last yen

WHO'S UNCIVILIZED?

From the Pittsburgh Press.

China drops peace leaflets instead of bombs on Japanese cities.

is spent, until the last youth, the last aged man had been used as cannon fodder. It was not strange, then, that the new War Minister, Seishiro Itagaki, should blest:

"No matter how long it may take to bring about the solution of the present conflict, there is only one way for Japan to follow." Only by following such a course, he said, could Japan attain her objective of "lasting peace in the Far East."

"The entire nation," he said, "recognizing more than ever the importance of the current situation, should gladly co-operate with the Government in national mobilization. The current hostilities have economic and ideological phases, so the people in the rear should not fall behind in their sincerity, compared with the officers and men at the fronts. The Imperial forces stationed along the front lines extending over 2,000 kilometres are ready for 'dare-to-die' onslaughts, braving scorching not weather and torrential rains.

Says China Weakening

"The spirit of our officers and men, who are determined to live up to the traditions of the Imperial forces, should be a never-failing stimulus to the vigilance and endeavors of the whole nation. Though the Chiang regime is at its last extremity and is trying to leave nothing undone for the defense of Hankow, the Chinese forces, after all their repeated defeats, have lost their 'fighting spirit. Despite the fact that Chiang's forces still are talking about protracted resistance, there is a great difference between their spirit now and what it was a year ago."

Or that Gen. Shunroku Hata should declare:

"Japan will not halt in her campaign of retribution against China until the present Hankow regime collapses. "We are prepared to make the greatest sacrifices so as to bring into being a new China." Only the collapse of the regime of Gen. Chiang Kai-shek, he continued, would "assure the continued welfare of this part of the world."

Referring to incidents involving third Powers, the Japanese commander-in-chief declared that Japan, "upholding the principles of international good faith" had "promptly and openly taken steps for redress in a manner satisfactory to the nations concerned."

Gen. Hata emphasized that Japanese troops had "sacrificed strategic advantages in order better to respect the interests of neutral Powers."

The Navy Talks

The navy, of course, had to get in its bit:

Officers and men of the Japanese Navy are determined to "fulfill the aspirations" of their dead comrades "by devoting their all for the attainment of the objectives of the present expedition," Vice-Admiral Koshird Oikawa, commander-in-Chief of the Japanese China Seas Fleet, declared.

"It is one year today since the hostilities between Japan and China were started at Lukouchiao. The Japanese Government, adhering to a policy of non-aggravation of the situation, from the very outset of the conflict, hoped that the Chiang Kai-shek regime would reconsider its attitude. The Chinese, however, placing too much confidence in their strength, intensified, their provocations against Japan and openly plunged into war. The hostilities then spread to the whole of China.

"Once launched upon their campaign of retribution in self-defence, the Japanese forces have achieved successes on land, at sea and in the air that have no parallel in the war annals of the world. Closing in upon Hankow, our forces now are threatening its very existence. In the territories under Japanese occupation, we find the "Provisional and Reformed Governments" firmly established. Peace and order are being daily restored and a strong basis for the co-existence and mutual welfare of the Chinese and Japanese races has now been established. We can discern there a beacon lighting the way towards lasting peace in the Orient.

"As I look back upon this eventful year, I profoundly realize that much has been accomplished. But in our path still lie many obstacles."

Premier Prince Konoye Declares

"The Chiang Kai-shek regime ought to have collapsed long ago but its life is being prolonged only through dependence on foreign assistance."

Chiang Kai-shek is desirous of safeguarding his own personal power at the sacrifice of the welfare of the entire nation, Konoye said.

"Some foreign Powers, like Germany and Italy, fully understand Japan's policy and are co-operating with Japan against the Comintern," the premier stated. "Other foreign Powers fail to understand Japan's true intentions and are bent upon safeguarding their own interests in China and acquiring fresh ones." The premier appealed to the people to fulfill their duties to the state to help the Government achieve utlimate victory in China and the objective of the campaign—permanent peace in the Far East.

"No one can tell," the premier said, "whether there are some foreign Powers watching for a chance to carry out unholy designs against Japan by assisting the Chiang Kai-shek regime, whose weakness is well known to them, and hoping to exhaust Japan's resources in a war of attrition with China. The hostilities developed to their present proportions simply because of the provocation of the Chiang Kai-shek regime in defiance of Japan's original policy of localization and non-expansion.

Fall of Hankow Predicted

"The Japanese forces are achieving an uninterrupted series of military successes and are now driving on Hankow. The fall of Hankow is expected soon. Sinning against God and man by destroying the embankments of the Yellow River and drowning tens of thousands of innocent people, the Chiang Kai-shek regime ought to have collapsed long ago but its life is being prolonged by its dependence on foreign aid. The nation should look the situation in the face and prepare for it. Japan's history never has been stained with defeat in a war with a foreign country. We owe it to our posterity as well as our ancestors, who build our brilliant history, to win a glorious victory in the current hostilities.

"It is our fervent desire to prevent a recurrence of such turmoil in East Asia in the future and also to check the designs of third Powers by winning a crushing victory over the Chiang Kai-shek regime. These are many Chinese people who understand Japan's true intentions. The "Provisional Government" at Peiping and the "Reformed Government" at Nanking were organized by representatives of these Chinese. It is the historic mission of Japan to assist those pro-Japanese Governments and thereby build up a foundation for peace in East Asia. Let every one do his bit, otherwise a glorious victory and peace in East Asia may be unattainable."

Japan does not intend to close the door to Japanese-occupied territory in China to third party nationals, Konoye also said. The

Japanese Government, he declared, had no intention of ousting British influence from China.

Foreign Minister Gen. Kazushige Ugaki said:

"With the hostilities having entered an important stage after the fall of Hsuchow, we have reinforced our military organization for a protracted conflict and are striving for the attainment of our great objective, the establishment of peace in the Far East. During the year the Nationalist Government has fled from its capital and has fallen to the status of a provincial military clique."

Communist Alliance

"The Nationalist regime has shaken hands with Communist elements, hoodwinked the people with false propaganda of victories and made a show of its so-called intention to wage protracted hostilities.

"As for diplomatic affairs during the past year, many events have taken place, such as the conference of the League of Nations, the Nine-Power Treaty conference and others. We have tried to make known to the world the true meaning of the hostilities, have perfected the anti-Communist bloc in Europe and Asia and conducted foreign affairs with the co-operation of the Government and people.

"The Sino-Japanese conflict expanded to its present magnitude owing to the provocation of the outrageous Nationalist Government despite Japan's policy of localization and non-aggravation, which she faithfully pursued to settle the Lukouchiao incident."

Finance Minister Seihin Ikeda offered:

"Though the people may hereafter suffer some amount of inconvenience and difficulties, they should recognize the gravity of the current situation and be determined to support the nation behind the front."

"Fortunately economic conditions are favorable on the whole," he declared, "and we feel satisfied with the co-operation of the entire nation. The Japanese Government has concentrated all manner of administrative affairs upon the realization of military aims, and lately decided upon national mobilization of commodities for the purpose of bringing about the destruction of the Chiang Kai-shek regime and the reconstruction of a new China.

"The war-time financial and economic policies should be based upon the adequate balance of international accounts, adjustment of demand and supply of commodities, and the enlargement of productive power. What we should especially depend upon hereafter is the people's co-operation for the control of prices of commodities, increase of exports, economy in consumption, and encouragement of savings."

Navy Minister Issues Statement

"At this time the Japanese nation should concentrate its attention on the subjective of the China hostilities, keeping in mind the fundamental beauty and glory of our Empire," declared Admiral Mitsumasa Yonai, Navy Minister.

"Having steadfastly prepared for prolonged hostilities, our Government is putting forth efforts for the establishment of lasting peace in the Far East and promotion of the welfare of humanity. "The past year since the beginning of the incident has seen co-operation throughout the country which has brought about the progressively attainment of the objectives of our military operations in China, to our great satisfaction and gratitude."

"But, looking over that one year, we should offer our homage to those who laid down their lives in the cause of the country and, bearing in mind the true meaning of the present sacred warfare and its grave nature, meet the Imperial wishes and console the war dead."

Emperor's Message

The people of Japan were commanded by their Emperor to carry out their individual tasks "more conscientiously than ever before," to "overcome difficulties, and to be prepared to withstand "want and suffering." Thus, the Monarch declared in a rescript given to the Empire through Premier Prince Ayamaro Konoye, would the nation's entire strength be marshalled to face the present situation and "realize our intended purpose."

"It is our belief," the message stated, "that unless the sources of evil accumulated in the past years are not uprooted at this time it is impossible forever to hope for peace in East Asia."

"Deep" Imperial gratification was expressed for the results achieved in the field and for the efforts at home of the Japanese people who "united in purpose" were combining their strength. World peace, the rescript stated, would benefit from co-operation between Japan and China and the subsequent mutual prosperity of the two nations.

Shop Said Not Spy Meeting Place

Reports published in the *Shanghai Mainichi* of June 30 that "Chinese Government agents or spies hold meetings at the Dainty Dress Shop are absolutely false." representatives of Mr. and Mrs. R. F. Delbuch, owners of the establishment at 1182 Bubbling Well Road, informed *Domei* by letter. Mr. and Mrs. Delbuch were described in the communication as "respectable residents and business people who have been in Shanghai for 15 years. They are white emigrant Russians with Chinese passports. They are not concerned with politics in any way."

Japanese Ready to Grab Chinese Plants for Nippon's "Robber Barons"

This week Japanese military and naval spokesmen sounded the warning, expected for some time, that owners of Chinese factories in Japanese occupied territory must either submit to joint Sino-Japanese management, or submit to a temporary Japanese operator appointed to take part in the running of their establishment. The "temporary" Japanese operators will be appointed by these same authorities.

In the case of big factory owners, the statement indicates, no exceptions will be made. But, small Chinese plants, whose owners have been permitted to return to their property by the Japanese authorities, will not be required to agree to joint Sino-Japanese management. "The earliest resumption of independent operations by such plants will be welcome," the statement declared.

"Simultaneously with pursuing their joint campaign of thorough retribution against the Chiang Kai-shek regime," the statement said, "the Japanese naval and military authorities in Central China have decided to support the "Reformed Government," on the one hand, while, on the other, they have felt the necessity of resuming operations of various plants in the territory under their occupation in order to rehabilitate industry and bring relief to refugees. In order to carry out this objective, they have adopted a plan whereby Japanese technical and industrial assistance will be extended to principal industrial establishments in view of the present condition of their Chinese owners.

"The purpose of this scheme for joint management," the statement emphasized, "is to relieve those Chinese owners of the oppression and to realize through such cooperation the fruits of mutual Sino-Japanese well-being and prosperity. In no sense should it be deduced that the plan aims at jeopardizing Chinese property or cutting off the source of revenue of its owners. In the case of joint Sino-Japanese management, a suitable Japanese operator will be selected after careful consideration and be assigned to serve under fair and just conditions of management.

"However, cases where Chinese owners, while actually desirous of engaging in joint management, have been reluctant to agree to such an arrangement because of fear that their property rights may be jeopardized or because of fear of oppression from the Chiang Kai-shek regime, have come to the attention of the Japanese authorities. These authorities also feel extreme displeasure at the dilatory tactics being adopted by certain Third Power nationals, who, through false transfer of ownership or fictitious sale, contracts have made large unjust profits and have delayed the negotiations between Chinese and Japanese interests. Consequently, the authorities have decided not to take into consideration such activities, and assign temporary Japanese operators to such plants which do not agree to joint management, so that operations may be resumed as soon as possible."

Price of Tea Increased

Yen Shih-chong and other representatives of the Chinese tea hongs in Shanghai, who returned last week from Hongkong after a series of conferences with the Government officials, said, the Chinese Government has decided to export tea from Hongkong and that hereafter no tea merchants here will be allowed to collect tea from Chekiang, Kiangsu and Anhwei Provinces. It is further reported that "luchuan" tea from Anhwei and "pingsui" tea from Chekiang are being shipped to Hongkong instead of Shanghai for export.

As a result, prices of tea in the local market have been greatly increased. In the past few months 85,000 cases of "pingsui" tea from Chekiang have been sent here, of which more than half have been sold out. About 30,000 cases of "luchuan" tea from Anhwei were sent here in the past few months, of which about two-thirds have been already sold. In view of the small quantities of tea stored in Shanghai, the price of "pingsui" tea has increased from $80 to $100 per case while "luchuan" tea has increased from $120 to $150 per case.

Russia Buys $15,000,000 of Chinese Tea

According to reports received here from Hongkong, a contract has been signed by the Chinese Foreign Trade Commission and the Soviet Foreign Trade Commission for the purchase of $15,000,000 worth of Chinese tea. The Fu Hwa Trading Company has been entrusted by the Chinese Foreign Trade Commission to export tea to Soviet Russia. It may be recalled that large quantities of Japanese tea have been exported to Soviet Russia as part of the payment for the purchase of the Chinese Eastern Railway in the past few years. Hereafter Soviet Russia has decided to buy only Chinese tea.

Japanese Donations Reach 56 Million

Public donations to the Japanese War and Navy Ministries during the past year since the outbreak of the hostilities have amounted to 55,929,389 yen. Material constributions to the fighting services during the same period numbered 6,767,900 pieces. Monetary contributions to the War Ministry totalled Yen 36,361,037, while those to the Navy Ministry totalled Yen 11,568,332. Material gifts to the War Office reached 1,823,900 pieces, while those to the Navy Office amounted to 4,944,000 pieces.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First six months of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts has been published in book form.

June 8.—Japan has ample resources for "any war of attrition against China," Gen. K. Ugaki, Japanese Foreign Minister, told W. B. Courtney, correspondent of **Collier's** magazine. Gen. Ugaki expressed appreciation of America's neutrality and "sympathetic understanding of Japan's position."

June 8.—Referring to Japanese Government's declaration on January 16, announcing refusal to have further dealings with the Chiang Kai-shek administration, Tokyo Foreign Office spokesman stated that the declaration meant that the Government would have no further dealings with the Chiang Kai-shek regime, but it did not mean non-recognition of this regime.

June 8.—Testifying to the growing sympathy of American populace toward China, some six different national organizations in the United States have already remitted more than U.S.$600,000 to China, for war refugee relief work, information reaching Shanghai from New York revealed. The contributions made by these groups are in addition to the money and supplies sent to China by the American Red Cross.

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June 9.—Gen. Chiang Kai-shek issued lengthy statement, stressing paramount necessity for all friendly Powers to fulfill their treaty obligations by giving China positive assistance. Determination of the Chinese to resist, Gen. Chiang declared, had been heightened by "Japanese atrocities against non-combatants." The fighting strength of the Chinese army more than doubled since the outbreak of hostilities, while its armaments had undergone considerable improvement, both in quality and quantity.

June 9.—Japanese planes staged another night raid over Canton. Only one bomb dropped; thought object of raiders was to keep population in suspense. Anti-aircraft fire heavy, but no hit registered. Ten persons arrested on Shakee Bund during course of raid, for allegedly sending up flares to help raiders.

June 9.—U.S. Government protested to Japanese Consul-General at Hongkong on bombing of campus of Lingnam University at Canton yesterday (June 8), during Japanese air raid.

June 9.—Paul Emile Naggiar, French Ambassador to China, arrived at Hongkong from Shanghai; planned to fly to Hankow June 13.

June 9.—**Reuter** report alleged that Chinese Government offices were being transferred from Hankow to Hunan and Yunnan.

June 9.—Declaring that civilized people are "horrified by the bestial bombing of unarmed civilians at Canton," the **Daily Herald**, London, says that diplomatic protests alone are useless.
The men and women of Great Britain, it suggested, should demand that the British Government show practical condemnation of Japan by a guaranteed loan to China.

June 9.—The Japanese Government has decided to return to its owners the American property in Shanghai which was seized by Japanese forces during the hostilities there, declared spokesman for Tokyo Foreign Office.

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June 10.—Japanese planes raided Canton for 4th night in succesession. Four squadrons participated in attack, dropping some eight bombs. Several houses wrecked, but no fire ensued. Casualties unknown. During raid red flares allegedly were sent up by unknown persons. Thirty-two arrests were made last night and 15 suspected traitors shot today.
Gen. Yu Han-mou appealed to people of Kwangtung to participate with determination in campaign of resistance against Japan.
Paul Naggiar, French Ambassador, inspected damage to Doumer hospital and other bombed localities in Canton city.

June 10.—Public opinion in Britain stirred by Canton bombings; press urges help for China, as Foreign Secretary Lord Halifax reported studying "indiscriminate" bombings in both China and Spain with view to securing restriction. **Manchester Guardian** urges Great Britain to organize strong declaration by all civilized countries; **News-Chronicle** says, "Japan Can Be stopped;" **Daily Herald** suggests loan to China.
Paris press expressed indignation on Canton bombings.

June 10.—Japanese advance towards Peiping-Hankow Railway slowed up due to presence of large bodies of Chinese troops near Lanfeng and Kaifeng.
Chinese troops in northern Kiangsu stormed Hsuchow on June 8 but later withdrew.
Forty-two Japanese warships concentrated near Kweichih, west of Wuhu, shelling Chinese positions on both banks of Yangtsze. Warships bombed by Chinese air squadron; one vessel claimed sunk.

June 10.—Yu Chueh-sheng, Manager of Chung Hwa Cotton Mills and member of "Shanghai Civic Association," pro-Japanese Chinese group, shot and wounded in attempted assassination on the Bund near Japanese Yokohama Specie Bank. Yu's bodyguard and one of two assassins killed.

June 10.—Lt.-Gen. K. Katsuki, Commander of Japanese Garrison at Tientsin who was responsible for large-scale hostilities in North China following the Lukouchiao Incident last July, declared upon his return to Japan, "Gen. Chiang Kai-shek should not be despised, for he is really a great man." He said that there was no way for Japan to settle the dispute with China but to fight it out.

June 10.—Construction to be started soon on Yunnan-Burma Railway.

June 10.—Peiping "Provisional Government" refuses to recognize validity of transfer of China Merchants' Steam Navigation Company's assets to William Hunt & Company, American concern.

June 10.—Germany's China trade hard hit by hostilities.

June 10.—Japan's consumers asked by Finance Minister Ikeda to reduce consumption and practice thrift.

June 10.—Dr. Wellington Koo, Chief Chinese delegate in Geneva, protests against Japan's Mobilization Act; measure applied to Mandated Islands said violation of League Covenant.

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June 11.—Chinese military command massing troops for defence of Wuhan area (Wuchang, Hankow and Hanyang) against possible Japanese threat along Yangtsze. Defence works constructed. Gen. Chen Cheng, new Hupeh Chairman, supervises defence operations; particular attention paid to districts north of Yangtsze where Japanese drive expected. Hankow to evacuate 15,000 women and children daily to points further inland.

June 11.—North Honan threatened with flood of unprecedented magnitude as result of serious break in Yellow River, northeast of Chengchow. Chengchow still in Chinese hands and communications between Chengchow and Hankow normal again. Chinese communique says that as result of heavy Japanese artillery and aerial bombardment, Yellow River dykes were badly damaged, thereby resulting in many breaks.

June 11.—Heavy fighting west of Hofei, Central Anhwei city, where Japanese forces advancing westward in three columns. Fighting in east Honan halted by continued heavy rain.

June 11.—Y. C. Yang, Chinese Charge d'Affaires and his staff, left Tokyo for China following closure of Embassy.
Dr. Wellington Koo, Chinese Ambassador at Paris, informed French Foreign Office of China's intention to close embassy at Tokyo without breaking off relations.

June 11.—Madame Sun Yat-sen, widow of late Kuomintang Leader, wrote to Gen. Wu Te-chen, Kwangtung, against exodus of ablebodied men fleeing Canton to Hongkong. Physically fit citizens should be first to take up arms against invaders, Madame Sun said.

June 11.—Chinese national currency hit all-time low rate with $6.10 for one U. S. dollar.
Hankow spokesman blames rumors and speculators in Shanghai for decline in value of Chinese currency.

June 11.—**Domei** report claimed Tientsin-Pukow Railway open to traffic since June 10, following completion of repairs to bridge across Kwei River.

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June 12.—Under cover of heavy bombardment from 60 warships, Japanese troops attempted to land on both south and north banks of Yangtsze River near Anking, capital of Anhwei province, but attempts claimed repulsed.
Japanese advance westward along Lunghai Railway towards Chengchow still held up at Paisha, east of Chengchow, where flood waters of Yellow River are making operations very difficult. The flood has already crossed Lunghai Railway and may force the Japanese to change their plan of campaign.

June 12.—For the fifth night continuously Canton harassed by Japanese air raids, conducted by four squadrons. German American-built Canton's power plant bombed and put completely out of action. Fearing Japanese air raids, large numbers of refugees evacuate Swatow for interior.

June 12.—Five bombings by hand-grenade occurred in International Settlement in Shanghai in evening. Chinese Native Products Company, Nanking Road; station XMHA, American broadcasting studio, Race Course Road; Szechuan Road, north of Nanking Road, attacked. Four Chinese wounded; three Japanese detained following incident on Szechuan Road, but later released.

June 12.—Rumors of Franco-Japanese agreement denied in semi-official circles in London. Report of dispatch of French military advisers to China also discredited.

June 12.—Tokyo papers attack French for interfering in Oriental affairs. Allege China has obtained credits in Paris for supplies; movements of French Ambassador, Paul Naggiar, noted.

June 12.—Gen. Lu Chung-lin, newly appointed Chairman of Hopei Province, left Hankow for his post. Gen. Lu has to cross areas occupied by Japanese troops before being able to reach his post in Hopei.

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June 13.—Anking, Anhwei capital, captured by Japanese, according to **Domei.** Occupation of city said carried out at 10 o'clock last night, as fresh Japanese troops were landed on north bank of Yangtse.
Significance of Japanese occupation of Anking, Japanese naval spokesman stated, lies in its proximity to Hankow, distance between 200 kilometers in stright line.
Japanese troops landed at Wushahsia and Chienchiangkow on south bank of Yangtsze opposite Anking, but were driven back to their ships.
Severe fighting continues at Kweichih, west of Wuhu, on south bank of Yangtsze, where Japanese attempt to land.

June 13.—Fighting going on near Sincheng Station, on Peiping-Hankow Railway, south of Chengchow.
In Shansi, Chinese forces attacking Yungchen (Anyi), Houma and Linfeng also attacked.
On Shansi-Suiyuan border, Chinese forces under command of Gens. Fo Tso-yi and Ma Chan-shan recaptured Pienkwan on June 7, which Japanese captured on June 5. Japanese casulties said between 1,000 and 1,500.

June 13.—Japanese planes from their new base on Fukien coast invaded Kwangtung, reconnoitering over large area in east Kwangtung and scattering thousands of leaflets as well as dropping eight bombs. Ten bombs dropped near Kiangsun, resulting in a number of casualties. No planes appeared over Canton, although alarm sounded for three times.

June 13.—Gen. Tan Tze-hsin, Commander of 4th Cavalry Corps, executed on charges of mutiny, defying orders and looting in west Honan.

June 13.—Anxiety felt for Miss Iris Wilkinson, New Zealand writer, who has not been heard of for past month since she was reported missing fellowing Chinese withdrawal from Hsuchow. British Consulate-General at Hankow requested by New Zealand Government, to trace her whereabouts.

June 13.—Japanese Consulate-General at Hongkong replied to American protest against bombing of Lingnam University on June 8; sympathy expressed.

June 13.—Premier Prince Konoye and War Minister Lt.-Gen. Itagaki exchanged views on China situation; Gen. Itagaki urged that concrete measures to be taken in future "should be based on realities," aiming at exploitation of full force of Japanese victories in China; Army to take control of proposed "Central Affairs Bureau."

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June 14.—Following fall of Anking now admitted in Hankow, heavy Chinese reinforcements pouring into east Hupeh to stem Japanese drive on Hankow along North Bank of Yangtsze. Twelve Chinese planes flew over Anking to bomb Japanese warship and troop concentrations. Anking, ninth Chinese provincial capital to fall into Japanese hands since commencement of hostilities.
Hankow spokesman declared, "The Chinese do not attach much importance to Anking, which was defended by small force of Szechwan troops commanded by Gen. Yang Sen. Situation at Anking most unfavorable for the defenders." Chinese positions at Anking abandoned yesterday (June 13), spokesman added.

June 14.—Japanese detachment reached (June 13) Sincheng station on Peiping-Hankow Railway, south of Chengchow, but repulsed.

June 14.—Yellow River floods approaching Chengchow, having passed Chungmou and Paisha on Lunghai Railway; waters deepest north of Chungmou.

June 14.—Japanese admit floods holding up their advance along Lunghai Railway towards Chengchow; fighting east of Chengchow ceased.

June 14.—Dr. Cheng Tien-fang, Chinese Ambassador at Berlin, resigned; Chen Chieh, Vice-Minister of Foreign Affairs, appointed his successor.

June 14.—Five Japanese planes bombed and machine-gunned village of Lungkong, 25 miles from Hongkong border.
Japanese planes raided Canton for three full hours from 8 to 11 a.m. Thirty bombs dropped in vicinity of Power Station which was already destroyed.

June 14.—Lifting press ban, Tokyo Naval Office revealed occupation of Kinmen (Quemoy) Island, 24 kilometers east of Amoy, by naval landing party on October 26 last.

June 14.—Although the Japanese claim that they have only fifteen divisions in China, Hankow Chinese spokesman declares "We have proofs from diaries of captured Japanese soldiers and officers, and also from their detachment badges, that the Japanese are using 31 divisions in China."

June 14.—An appeal to the peoples of Europe to stop arms shipments to Japan has been cabled to the Head Office of the International Peace Campaign in Geneva by Edgar Ansel Mowrer, representative of the International Peace Campaign. Mr. Mowrer is a member of the **Chicago Daily News** staff on furlough.

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June 15.—Flood waters from Yellow River force Japanese troops at Chungmou, on Lunghai Railway between Kaifeng and Chengchow, to withdraw; menace to Peiping-Hankow Railway eased. Flood waters high at Kaifeng, where Japanese troops have to close city gates to prevent city being flooded. Feared Yellow River may change course, as repairs to breaks in dykes impossible. Japanese casualties due to flood believed not very high, but Japanese artillery and mechanised units rendered asbolutely useless.
Japanese deny Chinese allegations that floods were caused by damages inflicted upon Yellow River dykes by Japanese artillery shelling and bombing.

June 15.—Chinese claim recapture of Chienkiangkou near Anking, Anhwei capital, while Japanese warships shell Kweichi in fresh attempt to land troops. Yangtsze rising due to heavy rain during last few days.

June 15.—Twelve Japanese bombers raided Canton in morning, resulting in 10 persons killed and 30 wounded. Phone service between Canton and Hongkong disrupted.
Shigeru Yoshida, Japanese Ambassador in London, said (June 14) to deputation of China Campaign Committee that "the bombings of Canton were undertaken to demoralize the Chinese people and prevent reinforcements being sent from Canton."

June 15.—Despite Japanese threat to Hankow, morale of Wuhan cities excellent. About 200 to 300 of Hankow's 1,200 foreigners prepared to evacuate aboard special "international train" for Canton on June 24.

June 15.—Paul Naggiar, French Ambassador, denied rumors concerning his visit to Hankow. Purpose of visit, he said, was "to acquaint himself with conditions in French Concession and to call on leaders of Chinese Government."

June 15.—Serious concern felt by Japanese people on wisdom of China war; doubt ability to convert Japanese military gains in China into some tangible political and economic assets, declared Y. C. Yang, Chinese Charge d'Affaires at Tokyo, to Shanghai newspapermen. Mr. Yang arrived at Shanghai from Japan but did not land. He continued the voyage to Hongkong en route to Hankow.

June 15.—Total of 150,000,000 Chinese have directly or indirectly been affected by present hostilities and destitute refugees number 30,000,000, according to announcement by International Relief Committee in Hankow.

June 15.—Hupeh Provincial Government reorganised as ordered by Executive Yuan (June 14) with Gen. Chen Cheng as new Chairman succeeding Gen. Ho Cheng-chun. Gen. Chiang Ting-wen made new Chairman of Shensi succeeding Gen. Sun Wei-ju.

June 15.—Political circles in Paris discredit Japanese reports of arms agreement with China; arms imports to China said low and on old orders.
Tokyo observers "fear" Hainan Island may become new battlefield.

Damage to Railways Set At $2,500,000

Damage to railways in the lower Yangtsze delta as a result of the present Sino-Japanese hostilities was placed at $2,500,000 in a *Domei* report issued last week. The major sufferer, the report said, was the Shanghai-Hangchow-Ningpo Railway with losses running up to $1,500,000. A large proportion of this loss, it added, was attributable to the destruction by the Chinese forces of the Chiantang River Bridge, one of the major engineering feats of its kind in this country. The damage sustained by the Shanghai-Nanking Railway in destroyed property and rolling stock taken away by the Chinese in their retreat was set at $1,000,000.

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FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

The Franco-Japanese Dispute in South China

WHEN Japanese marines on June 24 occupied Namoa Island, 35 miles northeast of Swatow, they started what may develop into a first-class dispute between Japan, France and Great Britain, with a possibility of America chiming in. The mere occupation of Namoa was significant in that it foreshadowed the transfer of the Japanese base of operations to South China, with a general offensive against the Chinese in areas close to territories controlled by France and England.

What actually stirred France, however, was Japan's threat against Hainan Island where Japan's Foreign Minister, Gen. Ugaki, charged the Sino-French treaty pledging not to allow any foreign power to settle on the island had been broken through France's authorization of the transport of arms to China via Indo-China. France answered that Ugaki's allegations were made in order to prepare Japanese opinion for the army's South China drive. The French press recalled that the Franco-Japanese Treaty of 1907 according to which both powers bound themselves to respect each other's interests in China, though neither referred specifically to Hainan island. In the meantime, Japan continued bombing Hainan.

What ruffled Japan was the reported occupation of the Paracel Islands by France, which the Japanese press claims to be a Japanese possession. The press became so incensed that some newspapers even went so far as to threaten war with France.

"France is now helping the Chiang Kai-shek Administration at the cost of her friendly relations with Japan, and is plunging French Indo-Chine into danger," the *Nichi Nichi* commented on July 9.

The *Hochi Shimbun* declared that the occupation of the Islands has whipped up anti-French feeling in Japan and "in such circumstances, no one can guarantee that an undesirable conflict between France and Japan will never occur. The French occupation of the Paracel Islands," the journal continued, "is an act of piracy possibly backed by Great Britain. Thus, China is gradually becoming another Spain. The Japanese Government must pursue a strong, determined attitude against such illegal action," the paper concluded.

Japanese Press Bitter

"Regardless of the reason for occupying the Paracel Islands France "clarified her intention to challenge Japan, even resorting to force in occupying the islands," the daily *Miyako* said.

The *Nichi-Nichi* further said "we find it difficult to comprehend the motive for the French occupation of the Paracel Islands in a zone wherein the Japanese Navy is closing the China coast. It is not too much to say that the French representations regarding Hainan Island and the occupation of the Paracel Islands are nothing more than the outcome of an anti-Japanese policy. Hence France, which ostensibly assured Japan that she would take a neutral stand in the China incident, probably will give positive assistance to the Chiang Kai-shek regime."

The *Asahi*, another leading newspaper, said an "ill-considered act like the occupation of the Paracels will not be the way to safeguard territorial integrity or interests. Any step taken by France toward Japan in connection with the China incident," the *Asahi* continued, "should be in accord with the spirit of a political agreement like the Franco-Japanese agreement of 1907, which was based on the principle of mutual reliance. We regret to note that France infringed the provisions of the agreement of 1907 repeatedly since the Manchurian incident. It is preposterous for France to challenge Japan in the Far East at a time when France is involved with Italy and Germany and Nationalist Spain in Europe."

"Nobody can guarantee," declared the *Hochi*, "that an undesirable misunderstanding will never occur between France and Japan as a result of the French occupation of the Paracel Islands, which apparently is raising ill-feeling among the Japanese and doing harm to the friendship between the two countries. America is now taking the attitude of an onlooker while Britain is modifying her anti-Japanese police as a result of the fall of Shanghai, Nanking and Hsuchow into Japanese hands.

"On the contrary, France is running counter to world trends, strengthening her pro-Chiang Kai-shek policy gradually and challenging Japan. France finally took off her veil of "white imperialism" in occupying the Paracels. There is some sense in press reports that the French occupation was backed by Britain, considering that Britain was silent regarding the occupation."

"Deliberate Antagonizing

France is deliberately antagonizing Japan by denouncing Japan's action in China and imposing a high tariff on Japanese merchandise, the Hanoi correspondent of the *Nichi-Nichi* alleged on July 9. The correspondent said the situation in Indo-China resembles "Japanophobia."

Commenting on naval maneuvers and new organization of an air force in French Indo-China, the correspondent quoted unconfirmed reports that the French Government "offered Camran Bay to Britain and the United States as a base for their Far Eastern fleets." Cases of oppression of Japanese residents by French authorities of Indo-China were alleged by the correspondent.

"There is no apparent reason why the French authorities should antagonize Japan, which has no territorial designs on Indo-China," the correspondent declared. France has pursued a "provocative attitude" toward Japan since the beginning of the Sino-Japanese conflict, the correspondent alleged. "If Japan's advance continues to menace French Indo-China, as alleged by France," the correspondent said, "France should immediately suspend its short-sighted assistance to Gen. Chiang Kai-shek and abolish the prohibitive high tariff against Japanese merchandise, which would be the best and surest way to safeguard Indo-China, the richest of the French colonies."

The note containing the Japanese Government's representations against the military measures taken by France on the Paracel islands which was presented to the French Ambassador in Tokyo, M. Arsene Henry, by the Japanese Government some time ago, was received in Parison July 8. According to quarters close to the French Foreign Office, the note is couched in a friendly tone

JAPANESE OUTMANEUVERED BY FRENCH

Why the Japanese are angry at the French—This map, drawn by *The Review* shows the strategic location of the Paracel Islands at the main entrance to the Gulf of Tongking upon which border the French possessions of Indo-China. When the Sino-Japanese crisis developed a year ago the Japanese Navy began grabbing islands along the China coast, one of the first seized being Pratas shoal where the American Pan-American Aviation Corporation had established a radio signal station—operated by a Chinese—to report on weather conditions. The Japanese imprisoned the Chinese and since have controlled the island, along with dozens of others, many of which are of great strategic value. But when the Japanese made preparations to seize Hainan and the Paracel group, they ran into unexpected French opposition, expressed in language which the Japanese understood. It now develops that China authorized the French to establish garrisons of Tongkinese troops on the Paracels in order to prevent Japanese seizure. Previous article dealing with Japan's seizure of islands along the China Coast appeared in *The Review* on June 18-P.77, July 2-P.141. Noama Island, directly off Swatow, was occupied by the Japanese in June.

and will therefore be examined by the French Government in a similar spirit.

In a lengthy editorial on the Sino-Japanese conflict, *Le Temps* cited the recent utterances of the Emperor of Japan, Premier Prince Konoye and Marshal Chiang Kai-shek in order to show that there is no hope of an early termination of the hostilities. The paper pointed out that there is a serious danger that the conflict may lead to a perpetual international tension since other great powers could not allow Japan to endanger their interests in the Far East.

With regard to the dispute of the Paracel islands, the paper said that for a hundred years these island have been vacant. After stressing that China never demanded the respecting of her rights regarding the islands, the paper emphatically declared that the islands in any case are no concern of Japan. In view of the moderate tone of the Japanese representations, political quarters in Paris are inclined to believe that the Japanese protest was prompted above all by considerations of public opinion at home and the view therefore prevails that Japan does not plan to take any further steps in the matter.

America's Connection

The only possible American connection with the dispute would

Who's Who in China

Hung Lan-yu, Government official; born at Yangchow, Kiangsu, 1900; served successively as instructor in China National Institute, Shanghai, and Central Political Institute, Nanking; section chief, Ministry of Finance, Nanking; secretary and counsellor, Nanking Municipal Government; chief secretary, Capital Reconstruction Commission; counsellor, Control Yuan; chief of Compilation and Editing Section, Organization Department, Central Kuomintang Headquarters; secretary, National People's Congress; secretary, Fourth National Congress of Kuomintang Delegates; chief secretary, National Examination Committee; director, Institute for the Training of Judicial Officials, Judicial Yuan; member, Legislation Committee, Central Political Council; member, Central Executive Committee of the Kuomintang; author of "General Principles of Law" and "History of Chinese Legislation;" address: Central Party Headquarters, Chungking, Szechwan.

洪蘭友
Hung Lan-yu

Two Former Chinese Red Prisoners Now Allegedly Residing Here

According to a story in *The China Press* on July 7, two former agents of the Communist International, Paul Reugg and Joseph Walden, who had been imprisoned by the Chinese authorities, but recently released, are now residing in Shanghai. Reugg, who also was known as Noulens, was arrested here upon evidence found in the private papers of a French communist who was arrested and jailed by the British authorities at Singapore. According to information disclosed by the C. I. D. of the Shanghai Police Department, Reugg carried two passports, Canadian and Belgian, and was engaged in activities on behalf of the Comintern. Liberal organizations all over the world made a strong fight for Reugg's and his wife's release, but were unsuccessful. They were held in the Nanking model prison and were only released when the Chinese evacuated the city, prior to the coming of the Japanese Army. A child belonging to Mr. and Mrs. Reugg was cared for by a German family.

Joseph Walden, another alleged agent of the Third International, who was charged by the Chinese authorities with espionage activities, was sentenced to 15 years imprisonment, but also was recently released and is said to be back in Shanghai. He was confined at Hankow. A plot to obtain his release about three years ago led to sensational disclosures involving two Americans who allegedly had tried to bribe a Chinese official. One American, Eugene Brinson, was fined U. S. $500 in the U. S. Court and shortly afterward departed from China. Another named Carl Lemke also departed from China.

The report, alleging that Reugg and Walden were now in Shanghai, stated that neither intended to go to Russia.

China Bought More War Material in U. S. Than Japan

According to *Havas* report from Washington, July 8, a tabulation of purchases of war materials in the United States by China and Japan since the beginning of the Sino-Japanese struggle, showed that China's purchases had exceeded Japan's. The figures, according to a tabulation of the State Department, showed that China's purchases amounted to U. S. $12,529,741 while Japan's purchases in the same period amounted to U. S. $7,664,413.

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be the State Department's acquiesence to the Paris press appeal for American assistance to restrain the Japanese. The French foreign ministry said, however, that it had not approached the United States and did not envisage such a move for the time being.

While China claimed sovereignty over the Paracel Islands, it showed little interest in the Franco-Japanese tension over Hainan Island. Chinese government authorities said that it was "purely a matter between Japan and France. We are taking a watchful attitude." Competent observers in Hankow said they believed France is chiefly interested in the maintenance of status quo without necessarily taking positive steps such as open hostilities with Japan.

In connection with the dispute in the Far East, on a broader scope, the Paris newspaper *Le Jour* said, "It is felt that concerted action of Britain, France and America is necessary in the Orient to restrain the Japanese. The Tokyo-Rome-Berlin triangle rests on a common ideology but lacks real geographic strategic bases. The Paris-Washington-London triangle, on the other hand, rests on factors of enormous power in the Orient."

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Men and Events

The Peiping "Provisional" Government has sent Chou Yu to Changchun to serve as Trade Commissioner to the puppet state.

A. Bland Calder, Acting U. S. Commercial Attache, has returned to Shanghai from an extensive trip to South, Central and Southwest China.

Miss A. Viola Smith, U. S. Trade Commissioner and Registrar of China Trade Act Companies, departed for the United States this week on vacation. She will return in early October.

The local "Ta Tao" Government of Pootung has instituted a so-called "garbage tax" which must be paid by every household, the charge ranging from 20 to 40 cents for each household.

C. R. Bennett, representative of the American Banking Group, has been elected Acting Chairman of the American Red Cross Advisory Committee in the absence of Major Arthur Bassett.

The Japanese *Domei* news service announced on July 8 that the Japanese Prince, Mjaor Tsuneyoshi Takeda, now serving with the cavalry branch of the Army, had been dispatched to a "new post somewhere in Manchuria."

Chien Tuan-sheng, Hsieh Shou-kang, Yang Ying-pu and Liu Chieh have been appointed delegates of the National Government at Hankow to the 22nd annual conference of the League of Nations Unions, scheduled to meet in Copenhagen, Denmark this month.

E. Allen Peterson and his wife, who is of Japanese blood and two Russians who set sail from Shanghai in a Chinese junk a month ago on a trip across the Pacific, are now in Japan and plan to continue their voyage on July 14.

The Japanese-established "joint-autonomous "committee of Inner-Mongolia has announced the early establishment of a "Mongkiang" College at Kalgan which will be used for the training of lower-class native officials to serve with the puppet administration.

The Japanese announced last week that a printing plant, known as the Jih Sing Printing Works on Dalny Road, would shortly begin the printing of new textbooks for use in local Chinese schools. The printing plant was formerly the world Book Store's printing department. It now employs 200 workers.

The Chinese Postal Administration at Hankow has issued a new series of stamps which are known as "Patriotic Stamps." They are in denominations of 15, 30 and 50-cents and are for airmail use exclusively. In addition to the regular charge for the stamps, a surcharge of 5-cents has been added to each stamp, for relief of war refugees.

A party of 24 Japanese students, accompanied by Zenichi Itani of the Tokyo University of Commerce and Mrs. Taki Fujita of the Tsuda English Language School, are scheduled to go to Manila on July 30 to attend a Filipino-Japanese students' conference. The Japanese students are making a special study of the Sino-Japanese crisis prior to the opening of the meeting.

The Tokyo Foreign Office announced on July 8 that a consulate will be opened on July 15 at the town of Shihchiachwang, which is located at the junction point of the Peiping-Hankow Railway and the narrow-guage line which runs to Taiyuan, capital of Shansi. The Japanese report stated "peace and order had been restored in the Shihchiachwang area."

Maurice Benjamin, formerly well known as a real estate dealer in Shanghai, who died in San Francisco last week, was buried in that city on July 8. Aside from stating his age at 54 years the report gave no details as to the cause of his death. Mr. Benjamin was born in Japan but spent most of his life in Shanghai. He was connected with the Shanghai Land Investment Co.

Lt. Com. J. J. Hughes, who had charge of the U. S. S. Panay and was wounded when that American gunboat was bombed and sunk by the Japanese near Nanking last December, is still seriously ill and has entered the Navy Hospital at San Diego for further treatment. Commander Hughes was recently decorated by the Government for his heroism in connection with the Panay incident.

Lt. Col. Sir John E. Laurie has been appointed commander of British troops in North China in succession to Brigadier A. H. Hopwood, who will retire on April 16, 1939. Other British appointments announced on July 9 included Lt. Col. J. T. W. Reeve of the Hongkong Rifle Brigade to the command of the Hongkong infantry Brigade, to become effective in September. Col. F. W. Bissett, formerly in command of the Hongkong Infantry is retiring.

Gordon Campbell, recently appointed U. S. Marshal in China in succession to Edward L. Faurel, who resigned, arrived in Shanghai on Tuesday, July 12. He was accompanied by Mrs. Campbell, the couple having been married just prior to sailing. They are residing temporarily at the Cathay Hotel. Mr. Campbell is a resident of Carmel, California and a graduate of Stanford University where he starred as quarterback on the football team.

Robert William Swallow, 60-years of age, well known as a scholar and writer died on July 10. Mr. Swallow was born of missionary parents in the town of Ningpo and acquired a thorough knowledge of the Chinese language. He served in France during the World War as director of a Chinese Labor Unit. Among his recent writings were "Sidelights on Peking Life," "Ancient Chinese Mirrors," and articles dealing with Chinese works of art of which he was a noted collector.

According to a report by the *Associated Press* from Peiping published in the American papers Dr. Frederick G. Scovel, presbyterian medical missionary, who was shot and wounded by Japanese soldiers at the town of Tsining, Shantung, early in June was expected to recover. According to the report of the incident, Dr. Scovel was shot while attempting to protect the nurses in his hospital from assault by Japanese soldiers.

Peter Prevot, British subject born in Hongkong, but for several years a resident of Shanghai was arrested by the Chinese authorities in Hankow on June 28 on a charge of spying activities on behalf of the Japanese. His personal papers and baggage were detained and searched, the arrest having been made just as he was boarding a plane for Hongkong. The British Consul-General, C. E. Whitamore, immediately interceded and obtained Mr. Prevot's release, but he is remaining in Hankow pending outcome of the investigation. Mr. Prevot, listed in the Shanghai Hong Book as P. H. Prevot, member of the Stock Exchange, has an office in the St. Anne Building, 25 Rue du Consulate.

M. G. Brediam, technical director of the Municipal Council of the Shanghai French Concession, has been promoted to the position of Director General of the Concession. The appointment will become effective on July 15 when M. M. Verdier, present Director General retires. Mr. Verdier has been connected with the French mnuicipality for 11 years, coming here originally as a teacher. Mr. Brediam, who came to China in 1935 was previously in the French Air Force where he distinguished himself and received the Cross of the Legion of Honor.

Volunteers were called out in Penang on July 6 to suppress mob disturbances resulting from agitations against the importation of Japanese goods. The crowd, composed largely of Chinese, visited Chinese shops which had been dealing with Japanese goods, removed the merchandise which was piled in the street and burned. The police made several arrests and several police were injured when the crowd retaliated with a volley of stones. All shops finally put up their shutters as a result of the outbreak.

The new motor-highway which connects Yunnan (Kunming) with British Burma has been completed according to *Reuter* report from Chungking, stating the road cost more than $2,000,000. It is about 800 kilometers in length and will enable travelers or shipments of merchandise to reach the western terminus of the railway from Rangoon at Myikina in four days from Yunnan. Most of the bridges are of steel and built to carry loads of 10-tons. It is planned, however, to gradually strengthen the bridges as time and traffic permits.

The London *Daily Telegraph* recently issued a 24-page supplement dealing entirely with China and developments in this country. In addition to articles by Chinese leaders, there also were articles by a number of leading Britons, including E. M. Gull, secretary of the British China Association, E. M. Green, former editor of the *North-China Daily News*; Col. Godfrey Robert Viveash Steward, former commander of the Royal Inniskilling Fusilers, who paid a high tribute to the endurance of Chinese soldiers. Among the Chinese writers were Gen. Chiang Kai-shek, Dr. H. H. Kung, Quo Tai-chi and Dr. Kuangson Young.

The feature picture "Hurricane," produced by Samuel Goldwyn, has been banned in Shanghai due to opposition of the French Concession authorities. The French authorities according to the report, did not object to the storm at sea, said to be the most realistic ever produced, but to the fact that the hero was severely beaten and thrown into jail by natives of the Taumoto Island group. The picture was based on the story of Charles Nordoff and James Norman Hall, authors of the famous book, "Mutiny on the Bounty." The picture was highly praised when shown in Paris sometime ago.

Early in June the Tokyo newspaper *Nichi-Nichi* reported that the agreement which the British Kailan Mining Administration had signed with Japanese industrial interests was operating satisfactorily and that 1,700,000 tons of coal had already been shipped to Japan. On July 7, just one month later *Domei* reported there had been a serious falling off in the quantity of coal produced by the Kailan mines, that labor trouble had caused a decrease of 50 percent in the amount mined. The Japanese report claimed the amount of Kailan coal shipped here was insufficient and that Chinese industrial interests were turning to charcoal. Of the large quantities previously stored in the Pootung section, more than 70 percent has been used according to the Japanese report.

The police of Hongkong are still trying to discover the name and address of the author of an article in the *Sunday Herald* which made sensaitonal disclosures of alleged traffic in women in the British Colony. The police authorities on June 22, armed with a search warrant, raided the offices of the *China Mail*, which publishes the *Sunday Herald*, in the hope of finding the name of the author of the article, but they did not succeed in obtaining the information from the newspaper's correspondence files. The editor of the paper was taken to the police station and questioned for two hours but refused to disclose the name of the writer. Chinese residents were deeply concerned at the disclosures and the Hongkong Child Welfare Association has demanded punishment of the women involved in the white slave traffic. A new ordinance designed to put an end to the "Mui Tsai" traffic, known as the Women and Girlds' Protective Law, recently passed by the Hongkong Legislature, was reviewed by the House of Commons on July 5.

Masayuki Tani, Japanese "Minister-at-Large," stationed at Shanghai, has returned from a trip to Tokyo.

Lieut. Jack S. Holtwick, Jr., has been appointed assistant fleet intelligence officer in succession to Lieut. George Phelan, who departed this week for Washington where he will be stationed in future.

Gen. Liu Wen-tao, Chinese Ambassador to Rome, is returning to China shortly according to a *Kuomin* report from Hankow. Hsu Tao-lin, Counsellor of the Embassy will be appointed Charge d d'Affaires following Gen. Hsu's departure.

Sir Anthony Jenkinson, correspondent for the London *Daily Sketch*, arrived in Hankow on June 24 from Sian, Shensi, having made the trip by rail over the Lung-Hai and Peiping-Hankow lines. While in the Northwest the British correspondent, who is only 26 years old, visited the town of Yenan, northern Shensi, capital of the former Communist area.

Mrs. E. H. Cressy, who has been in Hongkong for the past three months has returned to Shanghai and is residing at 351 Route Cardinal Mercier, French Concession. Mr. Cressy, who has been in the United States for several weeks, has also returned to Shanghai.

Oland D. Russell, member of the staff of the New York *World-Telegram*, who has been in Tokyo for several months writing a history of the House of Mitsui, has returned to the United States. He returned by way of Siberia and the U.S.S.R., while Mrs. Russell and their two children returned by way of the Panama Canal.

Some 70 paintings in the Chinese style, all the work of Miss Alison Stilwell, daughter of Col. and Mrs. J. W. Stilwell, were recently exhibited at the Peiping Institute of Fine Arts. The exhibition aroue general interest. Miss Stilwell, upon returning to Peiping from school in America, became interested in Chinese art and painted more than 70 pictures in two years. Many of the paintings are in scroll-type while others have a background of Chinese silk. Col. Stilwell is U. S. Military Attache in China.

The National Christian Council of China has acknowledged two interesting gifts for relief purposes in China, one amounting to £172.14.2, coming from the Protestant Churches of Belgium, and the other, equivalent to about $4,989.63, coming from the Presbyterian Church of New Zealand.

Among the missionaries who have returned to Soochow are, the Rev. R. T. Henry, Dr. J. C. Thoroughman and Miss Sarah Glenn of the Southern Methodist Mission, Dr. M. P. Young of the Southern Presbyterian Mission and Miss Groves of the Southern Baptist Mission. Others who have been given passes to return to Soochow include Misses Troy and Tarrant of the Southern Methodist Mission and Dr. O. C. Crawford of the Northern Presbyterian Mission.

Two well known mission schools for Chinese girls, formerly operated in Soochow, the Wei Ling Girls' School and Yates Academy, will be opened in Shanghai this fall. Dr. H. H. McMillan of the Southern Baptist Mission at Soochow recently made the trip from Shanghai to Soochow in a truck carrying supplies to mission groups who have returned to the city and bringing back to Shanghai considerable equipment required for the reopening of the Wei Ling and Yates schools in Shanghai.

Serious rioting developed in Penang, Straits Settlements, on July 5, when a shipment of soya beans, allegedly from Japanese sources in Manchuria, was delivered to a Chinese merchant. A party of Chinese ripped open some of the bags and scattered the contents in the street. Later the cargo was taken to the China Relief Fund Headquarters whereupon a crowd collected and smashed the windows of the building. Eventually the cargo was dumped into the sea whereupon the disturbances died down.

Hot Weather Brings Increase in Cholera Cases

Cholera, in both the International Settlement and the French Concession, has continued to increase during the past week as a result of the arrival of hot weather.

While actual figures for the week ending July 10 have not been made public by the Settlement health authorities, the fact that cholera is strengthening its grip on this area is reflected in the large number of cholera suspect cases picked up daily from the streets by emergency ambulances of the Shanghai Fire Brigade. No fewer than 10 such cases were taken to the isolation hospital units in the Settlement by fire brigade ambulances July 10 alone. Twice that number of cases are reported to have been found, during the day, in refugee camps and other districts; cases which were removed to hospitals by private ambulances and private means of transportation.

In the French Concession, according to a report issued by the French Health Department, the disease also is on the increase. The report states that, at the present time, 20 new cholera suspect cases are being picked up in the Concession and removed to hospitals daily. The death averages two cholera patients per day, the Frenchtown report continues. Since the first cholera case made its appearance in the French Concession about May 25, 377 cases have been reported in that area with a total of 55 deaths.

Holland Sending Serum

Fifty thousand grams of anti-cholera serum for China were put aboard a K.L.M. plane July 9 at Amsterdam as a gift from the Central Committee for the assistance of the civilian population of China.

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THE CHINA WEEKLY REVIEW

160 Avenue Edward VII

Shanghai

New Books of Interest in the Far East

A Frenchman's Viewpoint

La Chine, le Jepon et les Puissances (China, Japan and the Powers) by Felicien Challaye.

In less than 100 pages, this little book in French gives a very complete analysis of the historical background of the present conflict and the relative position of the powers involved, up to January last.

The initiated will not learn much by it. It's aim is rather to popularize the real facts among the public at large, and it very exactly succeeds in this. In line with the traditions of French scholarship, however, the book is written with a care and a conscience which are the marks of works of a higher grade.

Indeed, the name of Felicien Challaye is a guarantee of independance of mind and of intellectual integrity. A prominent scholar in his own country, a professor of philosophy, and politically a radical socialist (not the timid bourgeois democrat the French call "radical-socialiste" in their political jargon), professor Challaye has published many works on philosophy, on socialism and on the cruelties of colonialism. For many years he has been well known by the French public by his bitter attacks upon the abuses of the French administration in Indo-China. More recently he has made himself conspicuous as the principal exponent of extreme pacificism.

He has travelled in the Far-East as far back as 1901, then again in 1917, and a third time in 1918 and 1919. His lack of personal contact with this part of the world during the last twenty years is somewhat apparent, especially towards the end of the first chapter, devoted to China. This weakness does not, however, affect the fundamental aspects of China's contemporary history, which are very clearly laid down.

This first chapter, on China, is subdivided in paragraphs under the following headings: *Vastness of China, Weakness of China, First relations with Europe, Wars made on China, The unequal treaties, The awakening of China, Progress towards unity, Progress towards independence, Modernization of China.*

The following excerpts will give some idea of professor Challaye's outlook and style: "To those who complain of the "Chinese disorder" let us ask if Europe gives the spectacle of perfect harmony" (p. 9). "China has been weak because of her vastness" (p. 12). On early relations with Europe: "Western Barbarians, as a whole, make on Chinese a most unfavourable impression. Though of one race and professing to be christians alike, they are jealous of each other and fight each other, for national or religious reasons which seem incomprehensible. Merchants try to cheat their customers; missionaries aim to impose their own creeds" (p. 14).

The second chapter, on Japan, shows the author's profound knowledge of things Japanese. The sub-titles are: *Material and moral unity of Japan, Isolation of Japan, Modernization of Japan, Conquest of independence, Japanese expansion, Japanese Imperialism, Opposition to imperialism; progress of democracy, The workers movement; socialism, National-socialism.*

A third chapter studies Sino-Japanese relations. *The question of Shantung* and *The question of Manchuria* occupy the greater part of this chapter. In 1929, Mr. Shidehara, new Japanese Foreign minister, declares that "there will be no more agressive policy" of Japan in China. "However, it was under this moderate government, considered too weak by them, that the Japanese military will start the conquest of Manchuria" (p. 61).

The Sino-Japanese relations and the Powers is the subject reviewed in a fourth chapter. It shows that the sympathies of most countries are with China. Germany and Italy are the only exceptions. They "try to conciliate the defense of their economic interests in China with the political affinity which binds them to Japan" (p. 79).

The U.S.A. "have never applied to China the policy of force of which the other Powers have made themselves guilty . . . They have been, at the end of the 19th century, energetic promoters of the *open door* in China: they hoped, without concessions nor privileges, to control the trade of the immense empire. They always tried to win the sympathies of the Chinese customers" (p. 70).

He is not so complimentary, however, on the prohibition of Japanese immigration in the United States: "The stupid racial vanity of many Americans, the criminal imperialism of influential Japanese continue to divide the United States and Japan deeply from each other." (p. 72).

Towards China and Japan alike, Great-Britain's policy has been "involved and wavery." In China it has used "the most brutal force" (p. 73). Lately, however, "the policy of conciliation has had the upper hand" (p. 74).

"Having obtained the right to protect catholic missionaries of all countries," France "defends them against the just protests or claims of many Chinese" (p. 75). For many years the French Legation in Peking, "true to the reactionary traditions of many French diplomats," opposes the action of Chinese revolutionists and "support the most conservative or backward elements of Chinese politics" (p. 76).

Germany "has been the first to sign a treaty placing Chinese and Europeans on a basis of equality." Germans "have taken advantage of circumstances to develop particularly their trade" (p. 77).

The fifth chapter, in outlining the recent Sino-Japanese conflict, brings us to yesterday's events. It touches upon *China's appeal to the powers, The Brussels conference* and *The German-Italian Japanese agreement.*

Of special interest to us is the concluison. Having established that "Japan is indisputably the responsible perpetrator of a criminal agression" (p. 91) and denounced the lies spread by several French publications favourable to Japan, Challaye examines what are the future prospects. It is *Generalization of war?* Is it a *Collective intervention of the Powers?* Is it a *Military success of Japan?* Is it s *Japanese revolution?* He does not pretend to give any definite answer to these questions.

The materialization of the first one would spell "the end of our civilization."

He regrets that the second solution is not yet practicable. "The refusal of raw material and financial credits is still only a means used by imperialist Powers in their mutual rivalry. Those capitalists who benefit by war are powerful enough, in almost every country, even democratic, to prevent the State to perform or propose to other States this procedure of collective salvation" (p. 92).

Neither does the author believe in the ultimate success of Japanese imperialism. "It is not sure that Japan, even supposing a brilliant military victory, could control the whole of China without encountering formidable difficulties." (p. 92). "Japanese order" will never prevail upon the so-called "Chinese disorder" (p. 93).

And here Challaye the pacificist comes out in the open with his favourite theme: "If the Chinese, says he, instead of persisting in an armed resistance of the classical type—in which they remain inferior—changed methods, if they had the calm patriotism to practice, unanimously, toward the invader, a policy of non-cooperation and strike, if they contented themselves with such a *resistance* improperly called *passive* (for it requires from every citizen an exceptional expense of energy), the Japanese military would be obliged to renew constantly a very laborious effort—which could, at least as much as a prolonged war of attrition, wear out the patience of the Japanese people" (p. 93).

Such a policy will no doubt be adopted if armed resistance fails. But let us recognize at the same time that its enforcement would not be possible if the Chinese nation had not, at first, bent all their energy on armed resistance.

Together with China's prolonged resistance, in Challaye's opinion, a revolution in Japan is the most likely thing to happen. The last elections to the Parliament have already shown a striking disapproval of the Army's policy. The revolutionary forces in Japan are "much more powerful than is usually thought" (p. 94). A Japanese revolution, however, would probably respect the Throne. "A new form of Bolshevism, a "Mikado-ish" Bolshevism" is likely to appear (p. 94). "The Japanese people would get rid of their hated misters, aristocrats, bureaucrats, plutocrats, imperialist militarists; but they would not break the mysterical tie which unites them to the Emperor . . ." (p. 94).

That new Japan would be in a better position to "reconcile the high civilization of ancient Asia with the high civilization of modern Europe, the two noblest civilizations ever produced by humanity. . . ."

JAMES GUYOU.

Peiping, July 1, 1938.

Chinese Claim 570 Japanese Planes Destroyed

A total of 570 Japanese 'planes have been destroyed by hostilities, declared Colonel Mao Pang-chu, Chief of Aerial Operations of the Chinese Air Force, said in Hankow last week.

Colonel Mao added that "A total of 243 Japanese 'planes have been shot down by Chinese aircraft, 138 destroyed on the ground by Chinese bombing operations, 163 shot down by Chinese anti-aircraft guns, and 26 shot down but not yet located." The aircraft destroyed by the Chinese, Colonel Mao went on to say, includes 64 heavy bombers, 90 light bombers, 54 pursuit 'planes, 13 scouting 'planes, 19 seaplanes, and 320 not identified.

Losses due to accidents, Colonel Mao declared, probably totalled 785 machines, thus bringing the number of Japanese aircrat lost during the year to a total of 1,355 machines, while the number of members of the Japanese Air Force to lose their lives during the first year of hostilities, he said, probably totalled 1,000.

Ford Patents New Type Rear Engined Car

Henry Ford, creator and producer of the famous Ford cars, was granted on July 1 a patent on a new type of rear-engined automobile V-Eight, according to *United Press* report from Washington. Mr. Ford was recently awarded the James Watt International Medal, a high honor granted for excellence in engineering achievement.

Reuters Say Correspondent Threatened

The British Embassy authorities in Peiping July 12 made representations to the Japanese Embassy concerning veiled threats alleged to have been made by a Japanese army staff officer, Major Shigeyasu, against the personal safety of *Reuters* Peiping Correspondent. The alleged threats were made when *Reuters* correspondent refused to endorse Japanese investigations which claimed to arrive at an opposite conclusion to an eye-witness account which *Reuters* correspondent used in Peiping when Mrs. Kao Ling-wei, wife of the Governor of Hopei Province, was twice slapped by a Japanese sentry at the railway station for smoking cigarets.

The correspondent offered to publish the Japanese version of the affair, but the officer said that this was insufficient as the correspondent must "additionally endorse the Japanese investigations into findings with which he had no connection." This *Reuters* Correspondent refused to do. The officer then declared that the "matter had aroused some feeling, and your personal safety may be endangered."

Japanese Kills Chinese; Domei Issues "Cover Up" Version of Affair

A verdict of death by stabbing was rendered by the Chinese Court Procurator July 9 in the case of Lee Soo-ngo, 40-year-old Ningponese, who was murdered July 8 in Lane 74, Baikal Road, Wayside district, the *North China Daily News* reported.

Lee, who resided in House 4 in the lane, was attacked by a Japanese soldier, according to reports, and wounded so seriously with a knife or bayonet that he died. He leaves a wife.

On the previous day, *Domei*, in its customary effort to cover up "incidents" in which Japanese are involved, reported that the "man was killed when stabbed in the right lung by another *Chinese* with whom he had been quarreling.

President Quezon Passes Through Shanghai

Manuel L. Quezon, President of the Philippine Commonwealth, passed through Shanghai July 12 on board the Canadian Pacific liner *Empress of Japan* en route to Manila after a three-week holiday spent in Japan. President Quezon did not disembark from the liner during its stay here but remained secluded in his suite. Denying admittance to the Shanghai press, one of his aides said, "The President is resting from the heat and cannot see anyone."

The Honorable Manuel Roxas, Speaker of the Philippine National Assembly, and his family were also aboard the Empress of Japan. They were returning to Manila from a stay in Washington, D. C. Carson Taylor, Publisher of the *Manila Daily Bulletin*, was also sailing for Manila aboard the liner from a stay in the United States.

Tokyo Stock Market Faces Crisis

In connection with the weakness which developed in 11 stocks on the Tokyo Stock Exchange late last week, due to the continued Government restriction in the use of industrial materials, the *Japan Advertiser* remarks that market leaders especially crumbled July 8.

The *Chugai Shogyo*, the leading financial daily, is of the opinion that the stock market faces a crisis, though this can be checked if the war situation terminates quickly.

The report of the Tokyo Stock Exchange shows that the total value of securities listed in the long-term list on July 1 amounted to 8,230,000,000 yen, a drop of 450,000,000 yen compared with the figure on June 1. Many stocks, the report added, dropped sharply, because the anticipations of traders of an inflationary boom had been disappointed.

Chinese Deny Borodin in China

While Japanese reports continue to insist that M. Borodin, former adviser to Dr. Sun Yat-sen, has arrived in Hankow, Chinese reports ridicule the allegation and quote alleged local unofficial Soviet sources as denying these reports. According to the Chinese reports, Borodin has been editor-in-Chief of the *Moscow Daily News* and has not left Moscow for several years.

They also allege that this is a Japanese rumor "fabricated to soften the aggrevated relationship between Japan and Britain." Japanese reports here July 13, however, said Borodin had arrived in Hankow July 9, and that he has been sent to China by the Soviet government because of his experience in this country.

Jardine Matheson to Purchase China Merchants Boats in Hongkong

Four new steamers, purchased by the China Merchants Steam Navigation Company in England, just prior to the outbreak of the Sino-Japanese hostilities, will shortly become the property of the British firm of Jardine, Matheson and Company, according to a *United Press* report from Hongkong on July 9. It was stated that the price to be paid would in the neighborhood of £400,000. The four ships were not included in the recent transaction in which the American firm of William Hunt and Company was granted control of wharves and warehouses of the Chinese shipping concern.

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Russian General "Tells All" to Japanese Military

REVELATION of "secrets" by General G. S. Lushkov, former chief of the Soviet secret police who fled from Soviet Russia and was captured by Manchukuo police June 13, took on the aspects last week of a movie thriller. What the general revealed, according to a *Reuters* account of the case, already had been revealed daily in the press of the world for the past few months.

If Lushkov did pass on any vital military secrets, speculation in Shanghai was that they were "trumped up" secrets, and that Lushkov, marked for liquidation in a purge of those alleged to have been plotting the death of Dictator Stalin, was given his chance for freedom. All he had to do was to hop across the border and give the Japanese things that Russia wanted Japan to know, real and otherwise. The general's most startling revelation, according *Reuters*, was that a systematic purge of alleged followers of Trotsky in the Soviet forces is in progress in Russia. The general is said to have fled following the receipt of a dramatic letter from General A. Y. Rapis, of the Soviet Air Force, after the latter's suicide.

Dictator Joseph Stalin's real purpose in aiding Chiang Kai-shek is to use China as a "cat's-paw" and bolshevize the country eventually, Lushkov said according to a *Domei* report. While aiding Chiang Kai-shek and secretly negotiating with Dr. Sun Fo, President of the Nationalist Legislative Yuan, Stalin is hoping to "dissipate" Japan's resources, the Russian officer stated. "Hundreds of thousands" of Russians have been executed on fabricated charges of treason, he declared. The economic condition of Russia and the standard of living of the masses have not improved under Communism, Gen. Lushkov asserted.

"When I received word that I would shortly be recalled to Moscow for duty," Gen. Lushkov said, "I remembered that such recalls of others usually had ended in arrest and execution. I suspected that I was in serious danger. I was determined to expose some of the humbugs of Stalin's regime, so I succeeded in running away from Russia. Up to the present time hundreds of thousands of Russians have undergone capital punishment on charges of various forms of treason. But I declare before the world and upon my honor that all these charges have been fabricated stories with no truth whatever. Stalin is disposing of not only Trotzkyists but those who are likely to prove his enemies in the future, by imposing upon them such charges as he can manufacture by his hellish sagacity."

"The economic condition of the country and the standard of living of the masses have not improved; on the contrary, the people, cowering under an unprecedented reign of terror, are angry and indignant over Stalin's actions. Stalin is telling the people that Japan is busy making preparations to attack the Soviet Union. To tell the truth, Stalin is trying to bring about an enlargement of the incident and the dissipation of Japanese resources, by giving help to Chiang Kai-shek and carrying on secret negotiations with Sun Fo."

"The Far Eastern Soviet Army alone totals about 270,000 troops, composed of 20 sharpshooter divisions, and if the G.P.U. is added to them the whole force east of Lake Baikal can be estimated at about 400,000 men. Along the border there are about 2,000 military planes, and in and around Vladivostok there are more than 90 submarines. In the light of these facts it will become clear why Stalin is giving help to China. He is not helping Chiang Kai-shek out of friendship toward him. China is only a cat's-paw for Stalin's despotic policies."

"This statement is supported by the fact that there recently took place a wholesale round-up of Chinese in the Far Eastern districts of the Soviet Union, and the number of the Chinese arrested reached as many as 11,000, and about 8,000 were forced to migrate. Stalin's real intention is to make whatever use he likes of China and then gradually bolshevize the Chinese."

Prospecting operations of the Saghalien Petroleum Company during the past year have been badly hampered by "Illegal pressure" placed upon the firm by Soviet authorities of North Saghalien, Tokyo charged last week. This will be one of the issues to be discussed with Soviet authorities by Seizo Sakonji, President of the Saghalien Petroleum Company, who will leave Tokyo on July 10 for North Saghalien to negotiate for a settlement of oil questions pending between Japan and the Soviet Union.

The company is worried about a shortage of oil workers as a result of the Soviet authorities' action in prohibiting a mass contract for employment of workers. Sakonji will emphasize the need for increasing the number of Japanese laborers in order to make up for the shortage of Soviet workers, who refuse to conclude contracts with Japanese industrialists in fear of Soviet oppression.

Japan's Puppets Pay for Cooperation With Their Lives

Chinese who have showed a tendency to cooperate with the Japanese in the setting up of puppet organizations have paid a high price for these acts—many have been assassinated, others have been severely wounded. Here is a list of those who have stopped gunmens' bullets:

Mr. Loh Pah-hong, Catholic leader and noted philanthropist, for his alleged part in the Citizens' Association, a Japanese-sponsored organization;

General Chow Feng-chi, mentioned as minister of war under the "Reformed Government" of Nanking;

Mr. Yang Hsin-cheng, described as the "Little Mayor of Tsaohokin;"

Mr. Li Kwang-tsai, former officer of the Nantao Volunteer Corps who was alleged to have betrayed a Chinese terrorist organization;

Mr. Yu Ya-hsiung, former publisher of the "Crystal," popular "mosquito" sheet, and a high officer in the Ministry of Inudstry of the "Reformed Government"—Mr. Yu was wounded;

Mr. Yu Chueh-sen, prominent Shanghai business man and amateur actor, who is a leading member of the Chinese Citizens' Federation—he survived although one of his Russian bodyguard was killed;

Mr. Jen Pao-an, land commissioner of the "Ta Tao Municipal Government" in Pootung, killed during a party a Foochow Road restaurant—a sing-song girl was also killed by a stray bullet while three others were wounded;

Two lawyers' assistants wounded at the Tai Ho Building, Lloyd Road—motive yet unknown;

One fatally wounded at a Sun Sun Hotel room—motive still unknown;

Mr. Koo Shing-yi, rice magnate and allegedly leading member of the Japanese-sponsored Chinese Citizens' Association, killed on Rue Montauban June 25;

Mr. Chen Teh-ming, allegedly chief of the Shipping Tax Collection Office of the "Ta Tao Municipal Government" killed June 29.

While in several of the cases it has been ascertained that pro-Hankow terrorists were responsible, the identify of attackers in other shooting affrays could not be ascertained. A new theory that the shootings were due to friction between the "Provisional Government" in Peiping and the "Reformed Government" in Nanking and the conflicts between the latter and the "Ta Tao Government" in Shanghai is understood to have attracted the attention of the police authorities.

"Ta Tao" Objects to Tax Collection by S.M.C.

The "Ta Tao Government" strongly objects to the collection of municipal rates from residents on extra-Settlement Roads in the Western District, by the Shanghai Municipal Council according to report from the *Fukwang News Agency*.

A S.M.C. tax collector, accompanied by a municipal policeman, according to the report, called at a residence at the Mei Terrace on Jessfield Road to collect municipal dues on June 29, but they were prevented from entering the house by an officer of the "Ta Tao Government," escorted by several "Ta Tao policemen. Many cases of residents on extra-Settlement Roads refusing to pay municipal rates have been reported recently.

Harvard Professor Warns of Japanese Designs On Netherlands Oil

J. Anton de Haas, professor of foreign trade at Harvard, who is Holland-born, declared in the course of an address at the Commonwealth Club in San Francisco that Japan "may deem the conquest of the Dutch East Indies as absolutely necessary." He said that the Japanese have built up an industrial structure which must either expand or explode. Japan's desperate need for oil "symbolizes a forthcoming conflict . . . . it is a symbol of an ever increasing struggle for raw materials . . . . the tragedy of the Orient today is the futility of the present Sino-Japanese hostilities."

400,000 Piculs of Rice Bought in Nanking, Wuhu

Between 300,000 and 400,000 piculs of rice have been purchased in Nanking and Wuhu by agents of Shanghai merchants, *Domei* reported. As soon as transportation facilities are available, the rice will be brought to Shanghai to alleviate the shortage of rice in Shanghai. The price of rice here recently soared to $14 a picul causing the Rice Merchants Association to impose a ban on shipments of rice from Shanghai.

WHAT IS JAPANESE MONEY WORTH?

Above are reproductions of three standard Japanese banknotes which were purchased in Chinese exchange shops on Szechuen Road this week. The price paid for them in Chinese currency ranged from $1.04 to $1.07. A few blocks north, in the Hongkew section the Japanese yen notes could be obtained at par with Chinese money, that is, Local Currency $1 was equal to Y.1. This means that Japanese Yen notes, if purchased in Shanghai, may be obtained at the rate of about Y.5.04 for an American dollar. Since the official or compulsory rate for yen in Japan is U.S.$1 equals only Y.3.40, it means that a person can purchase Japanese yen in Shanghai and take them to Japan and make a profit of Y.1.64 on each yen, that is, in respect to the equivalent value in American money. The following day, when the *China Weekly Review* attempted to dispose of these notes, they had depreciated 3½ cents on a Yen.

The difference in the value of the Yen in Shanghai and in Japan has resulted in tremendous speculation—and also has facilitated the tourist business—because persons can buy "cheap" yen in Shanghai and carry them to Japan. It has been rumored that the Japanese authorities intend to restrict the amount of paper Yen that travelers can take into Japan, but such action would be difficult and probably would result in a further slump in the value of Japanese paper money in this market. In purchasing Japanese Yen here, persons should exercise care in not obtaining the notes of the Bank of Chosen which cannot be cashed in Japan. There is also another Japanese Yen note in circulation which is used to pay soldiers, which also cannot be cashed in Japan except at heavy discount.

York in Louisville Times

'Guess We'll Have To Change Hats'

S.M.P. Denies Friction with French Over Bombings

Terming as "utterly ridiculous" a Japanese report concerning an alleged friction among minor Police officials on July 7 or at any other time, a high official of the S.M.P. on July 9 confirmed however that there had been a misunderstanding with regard to the plain-clothed Japanese search parties that had come into the settlement on July 7. This misunderstanding, it is understood, has been cleared by the parties concerned and the matter is considered satisfactorily closed.

In the meantime, Shanghai's "homicide squad," a unit of special detectives especially created on July 7 to investigate all terrorist acts and assassinations, was busy going into the different bombing and shooting affairs of the heetic anniversary day. The unit is attached to Louza Police Station and the best men from the detective staffs of the different stations, have been drawn upon, for this service. The Fingerprinting Department of the S.M.P. examined 616 prints in 14 hours, ever since the rain of bombs descended on Shanghai on July 7. They have thus established, what is believed to be a world record, with regard to speed and the number of examinations made.

All the terrorist acts perpetrated were committed by a gang of desperadoes led by Lieutenant-General Yang Fu, former commander of the headquarters of the Shanghai-Woosung garrison, the Japanese daily *Nippo* alleged. Yang Hu is alleged by the paper to have departed from Shanghai with $2,000,000 collected from Chinese Citizens here, at the beginning of the hostilities. He is said to have been in Hongkong and returned here recently the journal allegde.

Mr. H. G. W. Woodhead, C.B.E., writing in the *Shanghai Evening Post & Mercury*, said that the acts committed left little doubt that they were done under direction of Chinese government agencies. The *Post's* editor the next day was left with the job of denying his colleagues remarks.

American On Round-the-World Flight

Howard Hughes, American movie producer and an aviator by hobby, on July 12 had hopped from Omsk, Russia for Yakutsk, continuing on his round-the-world flight which started in New Tork July 10, in an endeavor to break the world's record held by Wiley Post. From Yakutsk, Hughes will head for Fairbanks, Alaska; from there he will fly direct to New York. Hughes hopped across the Atlantic in 16 hours and 35 minutes, bettering Col. Lindbergh's mark by almost six hours.

Chiang Tells Political Council Delegates 'Victory Near'

THE People's Political Council, in session at Hankow since July 6, and one of the most democratic bodies yet assembled in China, heard General Chiang Kai-shek, at one of the four sessions held this week, declare that final victory for China in the Sino-Japanese conflict would be realized "very soon."

The four sessions held so far have been lively and productive. Representatives at the council include members of the Kuomintang, Communist, Nazi, Popular Front and other parties. The council which has a membership of 200 delegates, was organized to ensure the public's greater participation in state affairs.

In addressing the assembly, General Chiang is said to have dispelled anxiety over the defense of Hankow. He said that although Hukow had been taken by Japanese forces, the remaining Wuhan defenses were "strong enough to deal the invaders at bitter blow."

The Generalissimo was reported to have told the Council that he was no liar" and had never failed to carry out a job, once he had promised to do it. The Council has no legislative power, but will hold open discussions on national questions and make recommendations to the Government in the form of advisory resolutions.

Resolutions Adopted

At the fourth session of the council, the following resolution were adopted:

Prolonged Resistance.—In accordance with the report of the First Proposals Examination Committee, the proposal made by Hu Ching-chung and 20 other delegates for support of the Government's plans for prolonged resistance (against the Japanese invasion) was adopted.

Mass organization.—In accordance with the report of the third Proposals Examination Committee, the proposal made by Tsou Tao-fen and 27 other delegates—calling for readjustment of mass organizations in order to manifest the people's strength—was revised and adopted.

Press Censorship.—In accordance with the report of the Third Proposals Examination Committee, the proposal made by Mr. Tsou Tao-fen and 26 other delegates—calling for fixation of definite standards governing the censorship of books and newspapers as well as measures for their enforcement—was adopted.

Industry and Mining.—In accordance with the report of the Third Proposals Examination Committee, the proposal made by the Government for the consolidation of the foundation of industrial and mining enterprises in the interior areas as so to increase production and augment the national strength was revised and adopted.

Agriculture.—In accordance with the report of the Fourth Proposals Examination Committee, the proposal made by the Government for promotion of agriculture in the inland districts in order to enhance production in the rear and augment the country's power of resistance was adopted.

Following is the complete list of the members:

KIANGSU (4): Chang I-Lin, Ku Tzu-yang, Leng Chu, Kiang Heng-yuan.
CHEKIANG (4): Chu Fu-cheng, Chen Chi-tsai, Chen Hsi-hao, Chou Pin-lin.
ANHWEI (4): Shang Heng-fang, Kwang Sheng, Mei Kwang-ti, Tao Hsing-chih.
KIANGSI (4): Li Chung-hsiang, Wang Chao-shih, Wang Kuan-ying, Wang Yu-yung.
HUPEH (4): Kung Keng, Yu Ning-chih, Huang Chien-chung, Chen Shih.
HUNAN (4): Hu Yuan-tan, Chou Ao, Hsu Hsiao-yen, Yang Tuan-lu.
SZECHUAN (4): Shao Chung-en, Hsieh Chien, Chang Lan, Hu Ching-i.
HOPEI (4): Keng I, Wang Pao-cheng, Chang Po-ching, Wang Chien-kiang.
SHANTUNG (4): Wang Chin-hsin, Meng Ching-tang, Wang Chung-yu, Chang Tso-chi.
HONAN (4): Tu Hsiu-sheng, Hu Shih-ching, Wang Yu-chiao, Ma Cheng-feng.
KWANGTUNG (4): (Miss) Wu Chih-mei, Huang Yuan-pin, Li Hsien-keng, Yang Tzu-i.
SHANSI (3): Li Hung-wen, Han Ko-wen, Liang Shang-tung.
SHENSI (3): Ju Yu-li, Li Yuan-ting, Kuo Ying-fu.
FUKIEN (3): Hu Chao-hsiang, Chin Wang-shan, Sung Yuan-yuan.
KWANGSI (3): Lin Hu, Huang Tung-chou, Chen Hsi-cheng.
YUNNAN (3): Li Pei-yen, Lung Ti-yao, (Miss) Lo Heng.
KWEICHOW (3): Wang Ya-ming, Huang Yu-jen, Ying Hsu-hua.
KANSU (2): Ting Shih-chun, Lo Li-hsueh.
SUIYUAN (2): Pan Hsiu-jen, Yung Chao.
SINKIANG (2): Chang Yuan-fu, Mai-Szu-Wu-Te.
CHINGHAI (Kokonor) (1): Li Hsia.
HSIKANG (1): Yao Chung-liang.
NINGHSIA (1): Chou Shih-chin.
HSIKING MUNICIPALITY (SIAN) (1): Tien Hsiao-an.
CHARHAR (2): Hsi Chen-tu, Ma Liang.
LIAONING (2): Sun Pei-tsang, Chang Chen-lu.
KIRIN (2): M. Te-hui, Wang Chia-cheng.
NANKING MUNICIPALITY (2): Chen Yu-kwang, Lu Chien.
SHANGHAI MUNICIPALITY (2): Wang Chih-hsin, Tao Po-chuan.
PEIPING MUNICIPALITY (2): Tao Meng-hu, Chen Shih-chuan.
HEILUNGKIANG (1): Yu Ming-chou.
JEHOL (1): Tan Wen-pin.
TIENTSIN MUNICIPALITY (1): Chang Peng-chun.
TSINGTAO MUNICIPALITY (1): Yang Chen-sheng.
MONGOLIA (4): Tsang-Chih-Chou-Wei, Ku Yung-hsiang, Ho Yung-hsin, Li Yung-hsin.
TIBET (2): Hsi-Ling-Chia-Tso, Ting-Chieh Hutuketu.
OVERSEAS REPRESENTATIVES (6): Chuang Hsi-yen, Chen Shou-ming, Li Shang-ming, Chang Chen-fan, Li Ching-chuan, Chou Sung.
(100). Chang Chun-li, Kan Chieh-hou, Huang Yen-pei, Yen Hui-ching (W. W. Yen), Chiang Fang-chen.
Shih Chao-chi (Alfred Sze), Chang Tung-sun, Shen Chun-ju, Hsu Chien, Hu Shih.
Tao Hsi-sheng, Chu Shun-sheng, Mao Tse-tung, Yang Keng-tao, Yen Yang-chu (James Yen).
Li Huang, Tseng Chi, Chang Po-ling, Fu Szu-nien, Lo Wen-kan.
Ma Chun-wu, Liang Sou-ming, Chang Tao-tseng, Hu Wen-hu (Aw Boon Haw), Chen Chia-keng.
Chen Ching-yu, (Miss) Tao Yuan, (Miss) Shih Liang, Chang Shun-fu, Hu Chien-chung.
Teng Fei-huang, Kuo Jen-sheng, Chin Pang-hsien, Lu Ting-kuei, Wang Shih-ying.
Chen Yao-te, Chien Tuan-sheng, Tsou Tao-fen, (Miss) Wu Yi-fang, Lofei Po-hung.
Hsu Po-yuan, Chien Yung-ming, Liu Po-min, Chen Shao-yu Hang, Li-wu.
Lo Chia-lun, Lo Lung-chi, Cheng Hsi-meng, Lo Chu, Liu Shu-mo.
Tung Pi-wu, Yu Chia-chu, Chen Chi-tien, (Miss) Wang Li-ming, Cheng Pu-chan.
Lin Tsu-han, Fan Shui, Chang Shih-chao, Peng Yun-i, Chu Chih-hung.
Wu Yu-chang, (Miss) Yu Wei-hua, Liang Shih-chiu, Fan Yu-jui, Li Sheng-wu.
(Miss) Liu Heng-ching, Hsu Fu-lin, Wei Cho-min, Chung Yung-kwang, Chang Po-chun.
Tan Ping-shan, Shang Nei-te, Chang Piao-jo, Chang Chih-chang, Kiang Yung.
Ou Yuan-huai, Wang Yun-wu, Chen Po-sheng, Tu Chung-yuan, Kao Hsi-pin.
Chi Shih-ying, Wang Cho-shan, Liu Che, Yu Pin, (Miss) Chang Hsiao-mei.
Chou Hsin-tang, Chang Chung-fu, Chu Li-chin, Chou Lan, Hou Shu-tung.
Fu Tung, Chen Pao-yin, Jen Hung-chun, Yen Jen-kwang, Chang Chien-ming.
Chien Kung-Lei, Cheng Chen-yu, Hsi Lun, Hsu Te-heng, (Miss) Teng Ying-chao.

An official investigation is being conducted into the murder of Miss Yu Wei-hua (Mrs. Chen Ching-kuo), a delegate to the People's Political Council. The murder was committed on June 29. At 7.30 a.m., on that day, when Miss Yu was in her bathroom, a man knocked at her door, saying that there was an urgent letter for her. After opening the door, Miss Yu was given a letter by the man, and while she was reading it, the man fired at her point-blank, killing her instantaneously. The man then made good his escape.

"Queen of Pirates" Executed?

Miss Huang Pa-mei, the 33-year-old "Queen of Pirates," who gave up free-lance pirating to go into the business on a somewhat larger scale with the Japanese, has had her association with the Nipponese and the Nanking puppets abruptly ended, Chinese newspapers report.

Miss Huang Pa-mei

The fierce little woman who, with her aide-de-camp, Ho Tze-kwei, were appointed high officers of the Pacification Commissioner's Headquarters of the Nanking "Reformed Government," was executed, along with Ho, by Chinese guerillas under the command of Ting Hsi-shan, at Chiakong on July 3.

Miss Huang at one time, was the "terror of the China Coast," and during her 15 years of pirating, had stolen and smuggled everything from a soy bean cake to a shipload of opium. She became a pirate at the tender age of 18, when she joined a band led by Taipao A-szu, whose name still sends a shudder down the spines of fishermen in the China Sea. When Taipo died five or six months ago, his men unanimously placed the woman to his command.

American Chamber Seeks Data on Tariff Injuries

The American Chamber of Commerce in a recent circular to members said that the customs tariffs now in force in the Shanghai area call for increased duties on certain items and may also in other respects be disastrous to American business. In this connection, and in order that the situation may be as fully understood as possible, the chamber requested members to advise them as to what extent, if any, their businesses have been adversely affected by the imposition of the new tariff.

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Three dollars will support one refugee a month. Since January, more than 900 persons have contributed this small sum, and many gave more, for the monthly upkeep of these refugees. Will you, too, be a member of the Save A Life A Month Club of the Shanghai International Red Cross? Send your donation to the Secretary of the Club at 505 Honan Road, Shanghai.

TO OUR SUBSCRIBERS IN AREAS OF MILITARY ACTIVITY

Hundreds of subscribers, who were forced to leave their homes because of the war situation, have been unable to return and in many instances, have been compelled to establish temporary or permanent residences elsewhere.

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